
Hughes Hubbard & Reed

What Business Sectors Use International Arbitration and Why?

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Client Advisories

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What industries use international arbitration most frequently?

International arbitration is used across a broad range of industries, but statistics from the International Centre for Settlement of Investment Disputes (ICSID) and the International Chamber of Commerce (ICC) – two prominent arbitration institutions – show that certain industries tend to utilize international arbitration more than others.

According to [ICSID's 2024 caseload statistics](#), the oil, gas and mining industries made up 28% of cases registered in 2024, closely followed by electric power and other energy sectors at 17%. Construction cases made up another 14% of cases, with those three sectors representing a combined 59% of cases registered in 2024. Notably, in 2024, transportation matters made up 19% of cases, which is a significant increase when compared with ICSID's overall case statistics, as seen in the table below.

Economic Sector	FY2024	All ICSID Cases
Oil, Gas and Mining	28%	25%
Transportation	19%	9%
Electric Power and Other Energy	17%	17%
Construction	14%	10%
Other Industry	8%	11%
Finance	8%	8%
Water, Sanitation and Flood Protection	2%	4%
Tourism	2%	3%

Economic Sector	FY2024	All ICSID Cases
Information and Communication	2%	7%
Agriculture, Fishing and Forestry	None registered	3%
Services and Trade	None registered	3%

Caseloads at the [ICC reflect similar trends](#). In 2023, cases arising out of the construction or engineering sectors accounted for 25.2% of all new disputes and energy-sector cases accounted for 20.6%. All other sectors trailed far behind, with no other single industry representing greater than 6% of new disputes, including by order of frequency: industrial equipment and services; transportation; health, pharmaceuticals and cosmetics; metal and raw materials; general trade and distribution; telecoms and specialized technologies; business services; financing and insurance; leisure and entertainment. The statistics for 2023 reflect the general trend at the ICC, where the percentage of new case filings by sector was nearly identical in [2022](#) and [2021](#).

Why do certain industries regularly opt to use international arbitration?

When a [2022 survey](#) conducted by Queen Mary University of London (QMUL) asked companies in the energy sector to rank their preferred dispute resolution method, arbitration scored highest in every subsector in the industry. Survey respondents indicated that they prefer arbitration because of its reputation as “neutral, enforceable and benefitting from the technical expertise of arbitrators.”

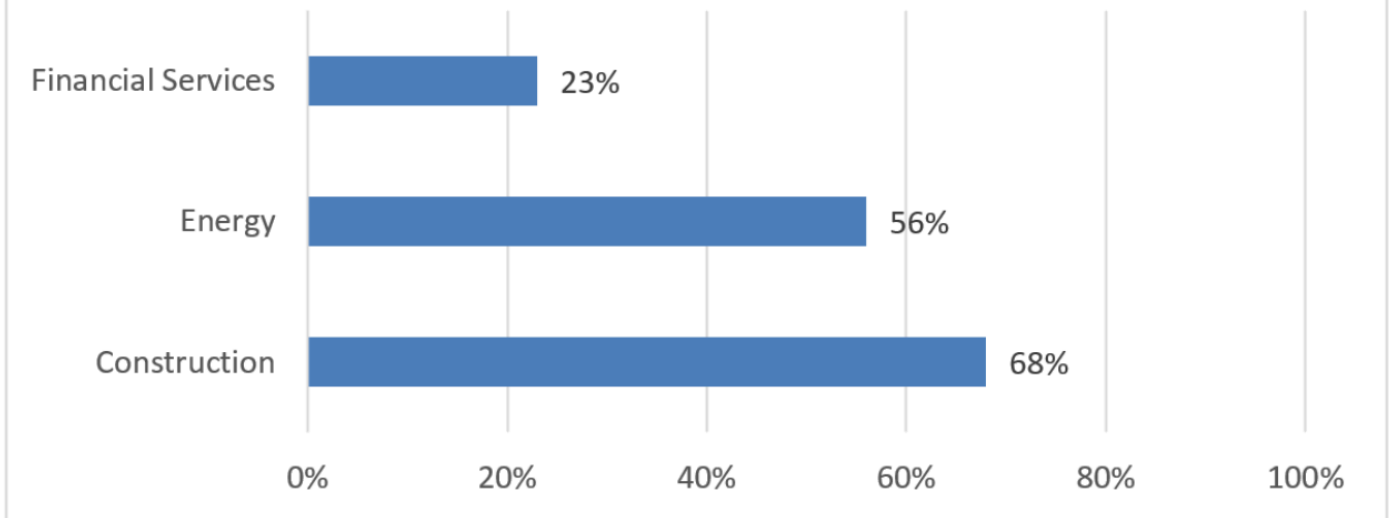
Energy-sector respondents noted that the most important features of arbitration were neutrality (63%), ability to choose arbitrators and their technical expertise (60%), and the international enforceability of arbitral awards (60%). One survey respondent noted that “the majority of international energy disputes are not just technical but require a degree of legal and political finesse alongside technical specialism for which many domestic courts are simply unsuited.”

In a separate [2019 QMUL survey](#) of practitioners in the construction industry, responses closely tracked those of the energy industry. 71% of survey participants reported that they had used international arbitration to resolve international construction disputes, while only 39% reported using domestic commercial arbitration. Respondents reported that “neutrality, confidentiality, flexibility and commercial nature of the [international arbitration] process along with the facility to choose who will determine their dispute” were key factors in practitioners’ selection of international arbitration as the preferred method of dispute resolution.

Amongst respondents from both QMUL surveys who favored international arbitration, there was a desire to see more efficiency and early decision-making by arbitral tribunals. In addition, some respondents expressed a desire for binding interim decisions so that successful parties can get award money at an earlier stage of the dispute resolution process. However, these concerns did not outweigh the overall perceived benefits of international arbitration over other forms of dispute resolution.

These findings confirm an earlier [2013 QMUL study](#) focused on industry perspectives on international arbitration. When individuals in the energy, financial services and construction industries were asked which dispute resolution method was preferred in their industry, 52% of overall respondents chose international arbitration, while just 28% of respondents chose court litigation, followed by mediation at 18%, with the fewest respondents selecting adjudication/expert determination (5%). Responses varied greatly, however, when broken down by industry:

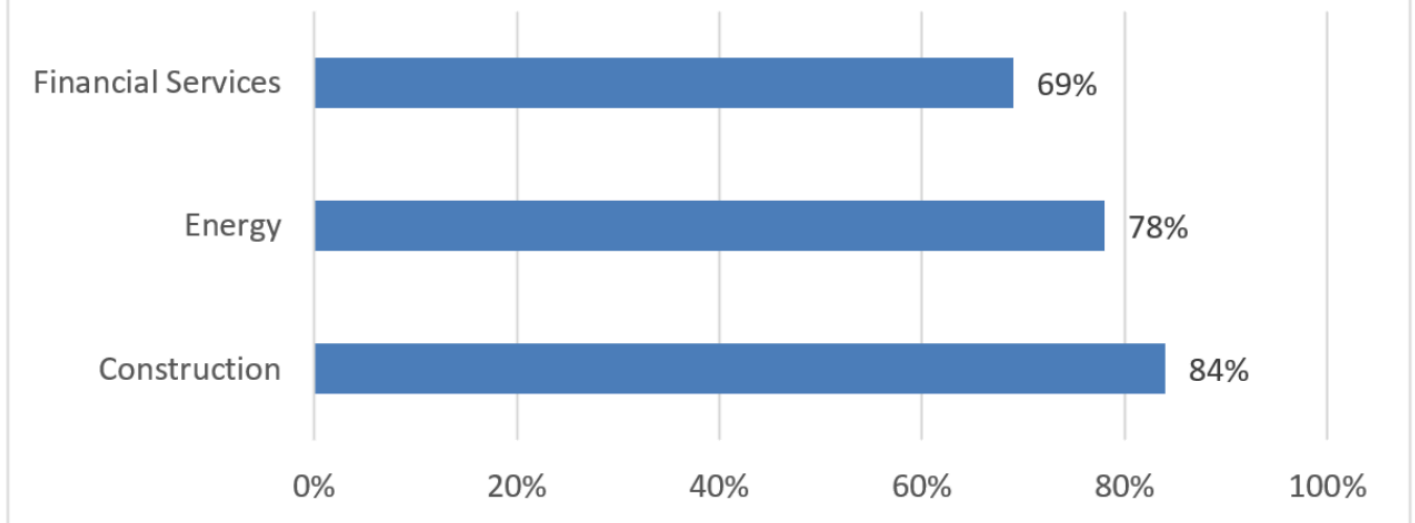
Percent Reporting International Arbitration as Most Preferred Forum



One construction industry survey participant explained that, because of its neutrality, international arbitration can provide a sense of fairness that litigation in foreign courts — especially the home courts of the opposing party — cannot always provide.

Researchers also asked companies across the three industries if arbitration was well suited to disputes in their respective industries. The vast majority of respondents answered Agree or Strongly Agree:

Percent Agree/Strongly Agree That International Arbitration Is Well Suited to Disputes In Their Industry



While international arbitration can be used across business sectors, caseloads historically have been dominated by a limited set of industries. The research suggests that the lower uptake in other sectors may have less to do with structural aspects of international arbitration and more to do with a lack of industry knowledge about and historical use of international arbitration in the sector. QMUL's research in particular did not reveal any industry-specific disadvantage to international arbitration. Indeed, the benefits of international arbitration identified by those surveyed are not industry-specific and companies in sectors that do not traditionally turn to international arbitration should carefully consider whether dispute resolution through international arbitration might be best suited to their needs.

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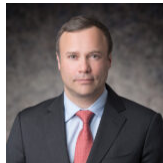
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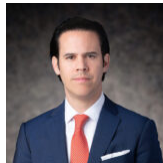
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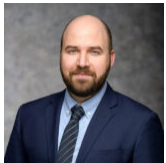
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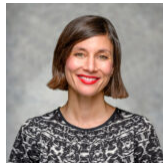
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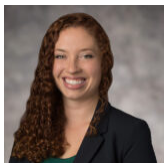
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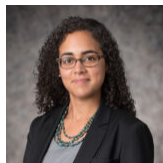
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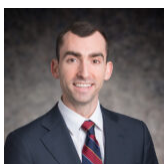
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