

	<b>Alumnae Number of University:</b>	<b>EKA HARSELLY</b>	<b>Alumnae Number of Faculty:</b>
	<b>a). Place/Date of Birth: Jambi/6 March 1988 b). Parent's Name: Hasrul Ramli, SE / Elly Armi Yuskal c). Faculty: Law d).SP: International Law e). Registered Number: 06140156 f). Date of Graduation : 9 August 2011 g).Graduation Title: Very Satisfied h). GPA: 3,36 i) Time of Study: 5 years j). Adress: Ampera Street No.3C RT.01/RW.03, Padang</b>		

**LEGAL ANALYSIS OF INTERNATIONAL ARBITRATION FORUM SELECTION IN FOREIGN INVESTMENT AGREEMENT IN INDONESIA**

**ABSTRACT**

In general,foreign investors who will invest in joint ventures has always insisted on the domestic investor to choose the forum of international arbitration,particularly arbitration institutions from developed countries.One cause of this pressure is the superior position of foreign investors who can actually harm domestic investors. Though Indonesia has had an arbitration institution (Indonesian National Arbitration Board (BANI)) that can resolve the dispute over foreign investment and have the arbitrator may be taken into account (in addition to containing the selection of arbitrators in the country,nearly half of the arbitrator in a foreign arbitrator BANI). The problem is judged not to give a sense of justice and reduce the principle of freedom of the parties and contrary to Article V (1) (b) the New York Convention 1958,which contains the principle that the parties receive the same treatment.The problems presented in this study is the *first*,what are the factors that led to the parties (foreign investors and domestic investors) tend to choose international arbitration rather than BANI.*Second*, how effective implementation of international arbitration in dispute settlement of foreign investment in Indonesia.This study using a normative juridical methods and aims to see whether the laws that exist in Indonesia related to the arbitration and foreign investment has represented the needs of domestic investors in obtaining legal certainty and to learn about the implementation of international arbitration in Indonesia.Based on research results from problems that occur can be concluded *first*, foreign investors tend to choose international arbitration because of the credibility of the institution, availability of skilled manpower and lack of confidence in the arbitration institutions in developing countries.*Second*,the various advantages of international arbitration,it has some weaknesses in the implementation in Indonesia, so that domestic investors should be more careful in deciding which will be agreed upon arbitral institution.

**This thesis has been defended and declared on the exam board on Tuesday : 9 August 2011**

<b>Signature</b>		
<b>Name</b>	<b>Prof. Firman Hasan, SH., LLM.</b>	<b>Sukanda Husin, SH., LLM.</b>

**Known by**  
**Head of Special Program : DR. Ferdi, SH., MH**

**Alumnae has been registered to Faculty/ University and receive the Alumnae number as follows**

	<b>Officers Faculty / University</b>	
<b>Alumnae Number of Faculty:</b>	<b>Name:</b>	<b>Signature:</b>
<b>Alumnae Number of University:</b>	<b>Name:</b>	<b>Signature:</b>