Arbitration on buyer-seller disagreement

Business, Marketing

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Abstract

This case analysis covers a dispute over shipment of products by an American trader to Germany. Owing to the existence of a conflict between the individuals over the inappropriateness of the transaction undertaken, due to the existence of unmet specifications, then the dispute has to be resolved. This paper tackles the possible arbitration verdict that will be given by the arbitrator in order to resolve the conflict. In predicting the likely ruling that the arbitrator is going to give, the paper seeks to underline the basis of the arbitrators ruling. Thus, the paper seeks to understand the guidelines that inform the arbitrators ruling.

There are situations in the international market where the buyer and the seller disagree on their transactions. The basis of such dispute could range from the supply of inferior quality goods, failure of the goods delivered to meet standards and specifications or failure to deliver such good or services in good time (Cornell, 2001). Under all these circumstances, the laws governing the international market provides an avenue through which such disputes can be resolved (Frank, 2009). In our case where the American businessperson ships livers to the German trader that do not meet all the specifications, then a need for dispute resolution arises. While the sex of the animal from which the livers are obtained is no cause for concern to Americans, the case is different in Germany. The livers obtained from different sexes of animals will fetch different prices in their markets. Since the attempt by the traders to resolve the dispute by them has failed completely, then a need for arbitration arises.

The most important thing that the arbitrator should consider in this dispute resolution is the fact that a company is guided and under obligation to follow both the domestic laws regulating business transaction and the laws of the foreign country where the company is undertaking its business. In this case, owing to the fact that in Germany livers fetch different prices, based on which sex of the animal they come from, then the German importer has a reason to require the American supplier to pay a price allowance of $1000 (Cornell, 2001). Owing to the fact that the German importer issued instructions to the effect that the livers shipped should be of customary merchantable quality, it was the responsibility of the American trader to seek to understand the particular requirements of customary merchantable quality livers in the German market.

Therefore, in this case, the arbitrator will rule in favor of the German importer, and establish an agreement with both of the traders, for the American exporter to reduce the price of the livers he shipped, so that the German importer does not run at a loss wholesomely. The arbitrator will rule the case on the basis of foreign trade laws, which requires the supply of goods and services based on the exact specification of the order made. The most relevant determining factors in this case are the existence of different product descriptions, and the misunderstanding of the specifications of the shipment order.

Works Cited

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