

FOR IMMEDIATE RELEASE

A New Publication of the Construction Industry Council “Guidelines on Dispute Resolution”

Hong Kong • 10 September 2010 – The Construction Industry Council (CIC) today released a new publication entitled “*Guidelines on Dispute Resolution*” (the Guidelines). The Guidelines provide information to industry stakeholders about the use of dispute avoidance measures and various dispute resolution methods for resolving different forms of disputes in their construction contracts.

Background

The adversarial approaches in resolving disputes can be expensive and time consuming, they even impose significant negative impact on a company operations and its relationship with its stakeholders.

The Guidelines are developed with the view of providing more information about the use of dispute avoidance measures as well as the various dispute resolution techniques for resolving different forms of disputes in relation to construction contracts.

Mr. LEE Shing-see, Chairman of the CIC said, “The *Guidelines on Dispute Resolution* encourage the wider use of proactive and collaboration dispute resolution approaches in resolving claims and disputes with a view to ultimately enhancing the security of payment of stakeholders in the construction industry.”

Publication of Guidelines

The “*Guidelines on Dispute Resolution*” published by CIC recommends the use of dispute avoidance measures through the employment of dispute resolution advisors to resolve disagreements prior to such escalating into disputes. A new concept of the adoption of an independent expert certifier as one of the dispute resolution methods is also introduced in the Guidelines.

If disagreements cannot be resolved and ultimately turn into disputes, the Guidelines advocate the provision of different forms of dispute resolution techniques to be used in



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construction contracts to facilitate the resolution of disputes under different circumstances.

While traditional forms of dispute resolution methods such as arbitration and litigation are still the last resort for resolving disputes, the Guidelines encourage the industry to resort to immediate dispute resolution as and when disputes arise. Mr. Mike WONG, Chairman of the Committee on Subcontracting of the CIC, remarks, "This is beneficial for all the parties involved and more importantly, will encourage the healthy and professional development of the industry, thereby improving and enhancing the public image of the construction industry as a whole."

Depending on the feedback from the industry on the recommended measures, CIC may issue further guidelines and will continue to work with industry stakeholders to improve the implementation of those measures to optimise their applications in construction projects for the betterment of the industry as a whole.

About the Construction Industry Council

The Construction Industry Council (CIC) was formed on 1 February 2007 under the Construction Industry Council Ordinance Cap. 587. CIC consists of a chairman and 24 members representing various sectors of the industry including employers, professionals, academics, contractors, workers, independent persons and Government officials.

The main functions of CIC are to forge consensus on long-term strategic issues, convey the industry's needs and aspirations to Government, as well as provide a communication channel for Government to solicit advice on all construction-related matters.

To learn more about the CIC, please visit website <www.hkcic.org> for further details.

Media Enquiries

Marketing & Corporate Communications Team

Tel: (852) 3571 8718

Fax: (852) 3571 9848

Email: corpcomm@hkcic.org

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