

16 AUGUST 2022

THE CURRENT
INTERNATIONAL
TRENDS FOR
DISPUTE RESOLUTION
IN THE CONSTRUCTION INDUSTRY

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White Clouds and Moon by Du Feichen

KING & WOOD
MALLESONS
金杜律师事务所

AGENDA

1

CHALLENGING
ECONOMIC /
GEOPOLITICAL
CONDITIONS

2

PUSH FOR
CARBON NET
ZERO

3

ALTERNATIVE
DISPUTE
RESOLUTION
PROCESSES

4

USE OF
TECHNOLOGY
IN DISPUTE
RESOLUTION



1. CHALLENGING ECONOMIC AND GEOPOLITICAL CONDITIONS

1

COVID
PANDEMIC



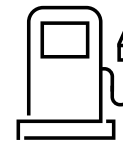
2

LABOUR
SUPPLY



3

GLOBAL
INFLATION

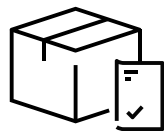


4

OIL PRICES

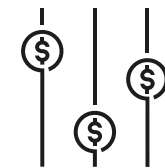
5

SUPPLY
CHAIN
DISRUPTIONS



6

MATERIAL
PRICE
CHANGES



ISSUE 1

COVID PANDEMIC



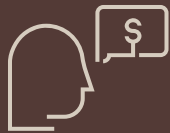
Continued disruption to work



Increase in projects - warm tendering environment

ISSUE 2

LABOUR SUPPLY



Border closures and resulting decreased migration

Workers laid off - changing industries



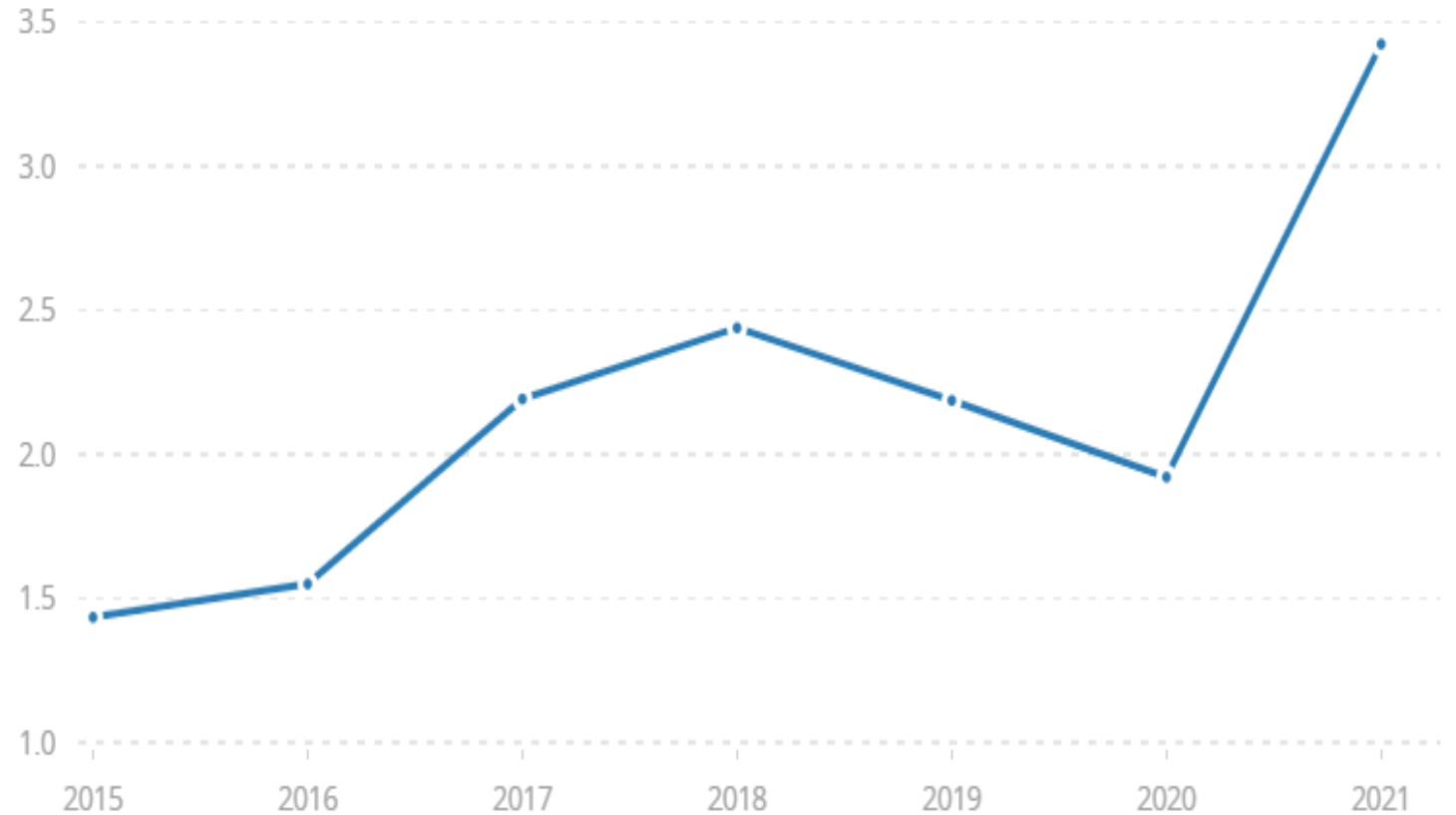
79.6% OF MARKETS WITH SKILLS SHORTAGES

ISSUE 3

GLOBAL INFLATION



Global inflation, consumer prices (annual %)



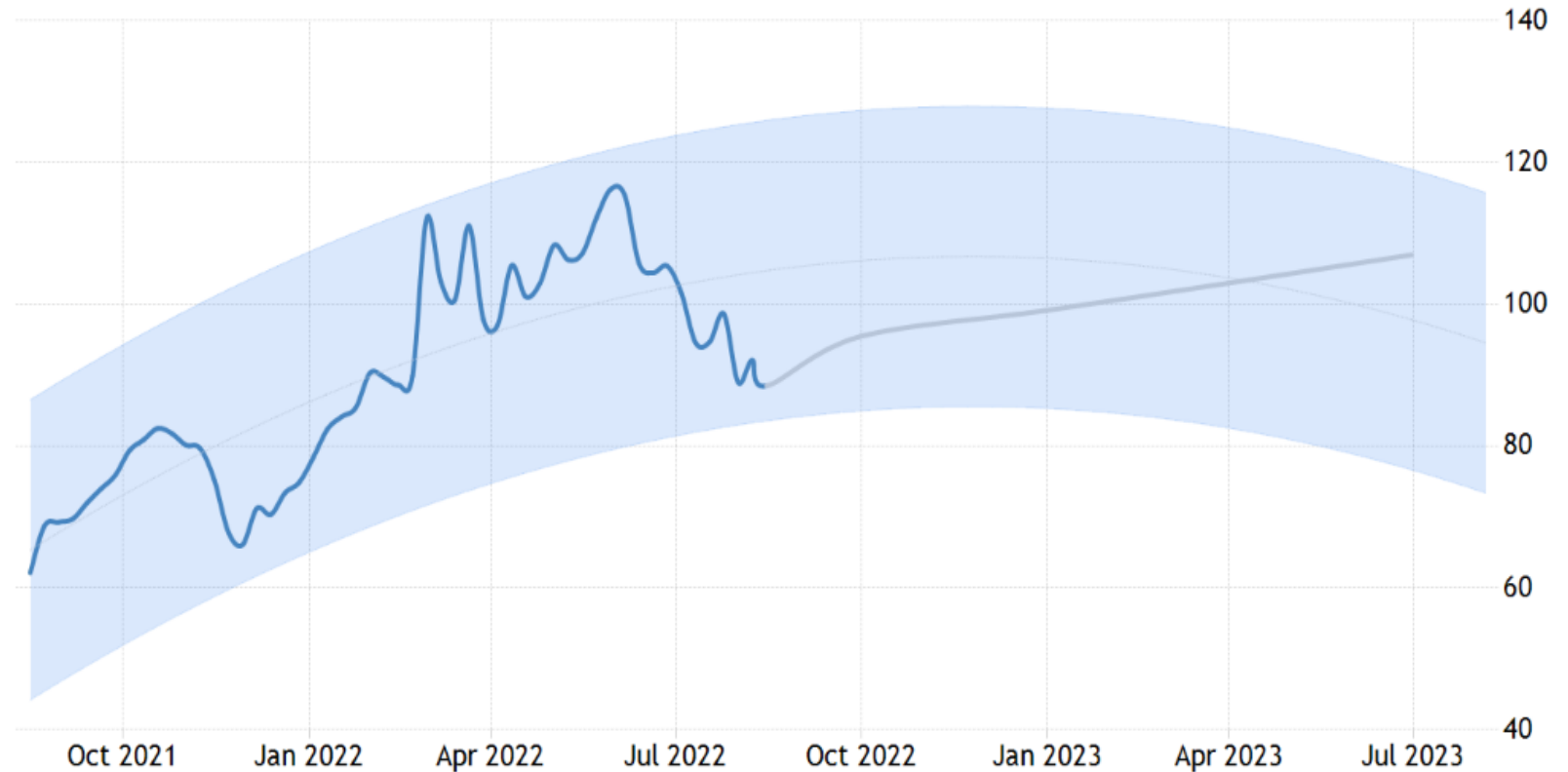
Source: IMF

ISSUE 4

OIL PRICES



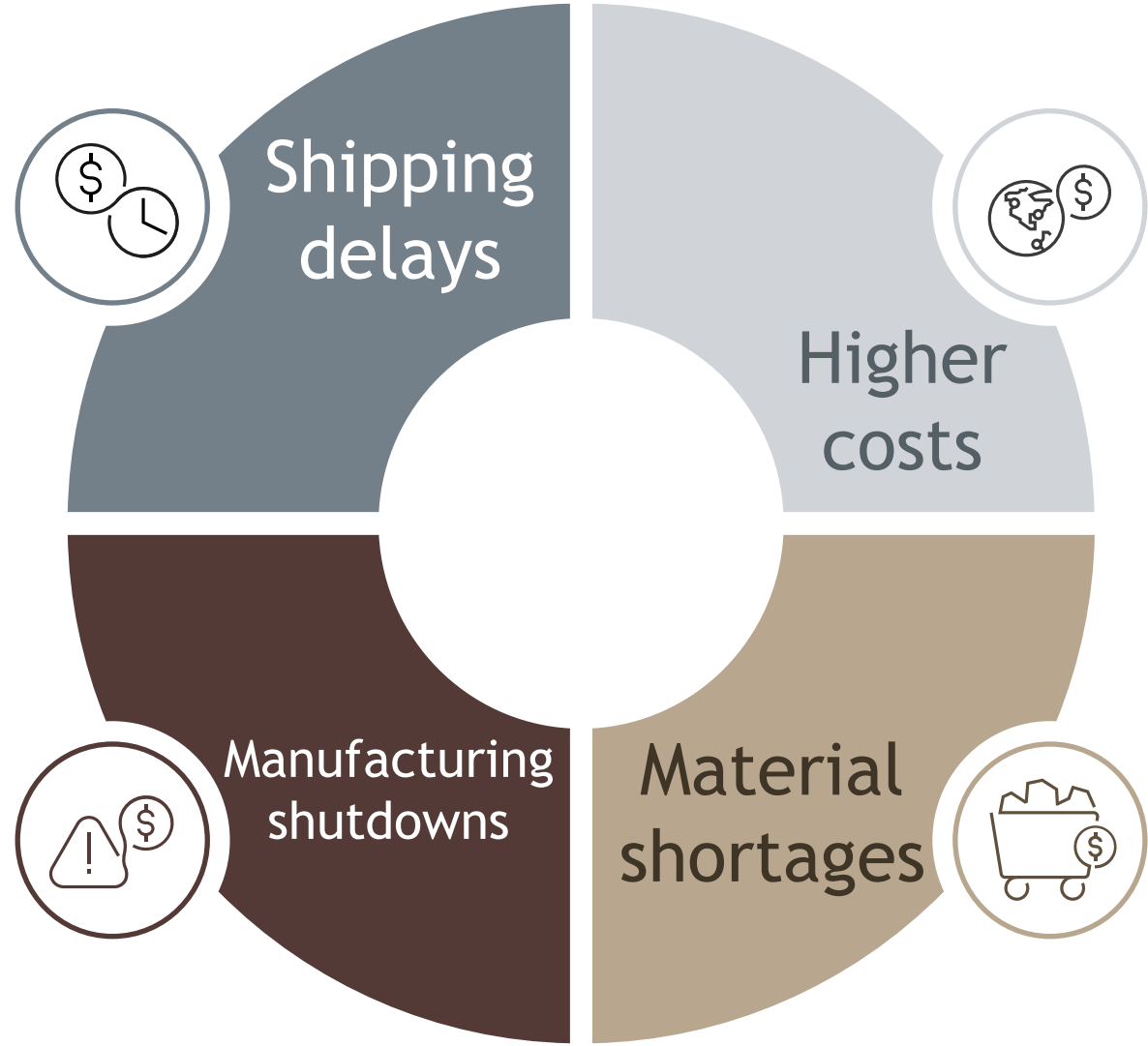
Crude oil prices in the past year and 2023 forecast



Source: Trading Economics

ISSUE 5

SUPPLY CHAIN DISRUPTIONS



ISSUE 6

MATERIAL PRICE CHANGES



Key construction material market prices

Materials (HK\$/tonne)	Dec 2020	Dec 2021	% change
Sand	299	321	+7.4%
Aggregates	97	108	+11.3%
Portland cement	770	886	+15.1%
High tensile steel bars (10mm to 40mm)	5,474	7,424	+35.6%
Galvanised mild steel plate	15,218	23,610	+55.1%

1. CHALLENGING ECONOMIC AND GEOPOLITICAL CONDITIONS

THE STRAITS TIMES

Greearth Construction wound up with at least \$70m debt

Queensland builder Condev goes into liquidation

Australian building giant Probuild collapses after racking up losses

Are Indonesia's State-Owned Construction Companies in Trouble?

 South China Morning Post

A fifth of Chinese developers face insolvency as investors grow tired of repeated bond extensions, S&P Global warns

金融市場

中國恆大概述初步債務重組計劃



1. CHALLENGING ECONOMIC AND GEOPOLITICAL CONDITIONS



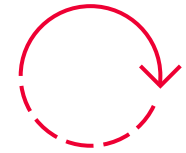
Financial
distress of
contractors and
developers



Losses on
existing fixed-
price contracts



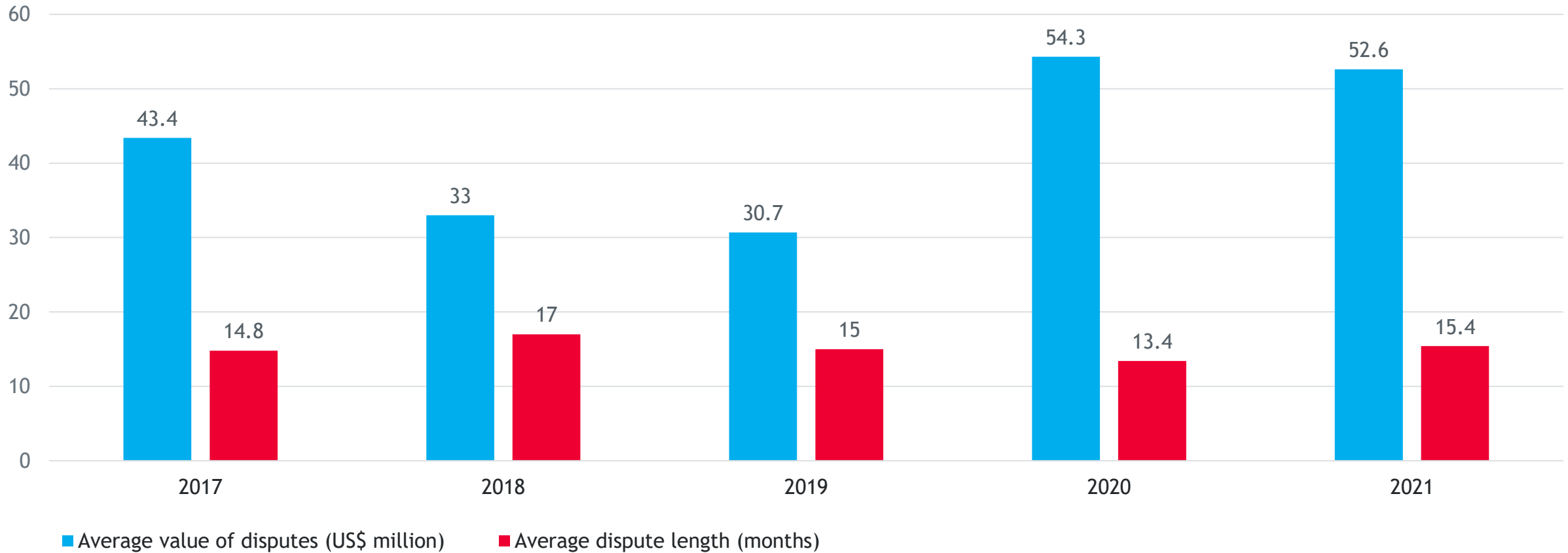
Completion
delays and
extension of
time claims



Cancellation of
construction
projects

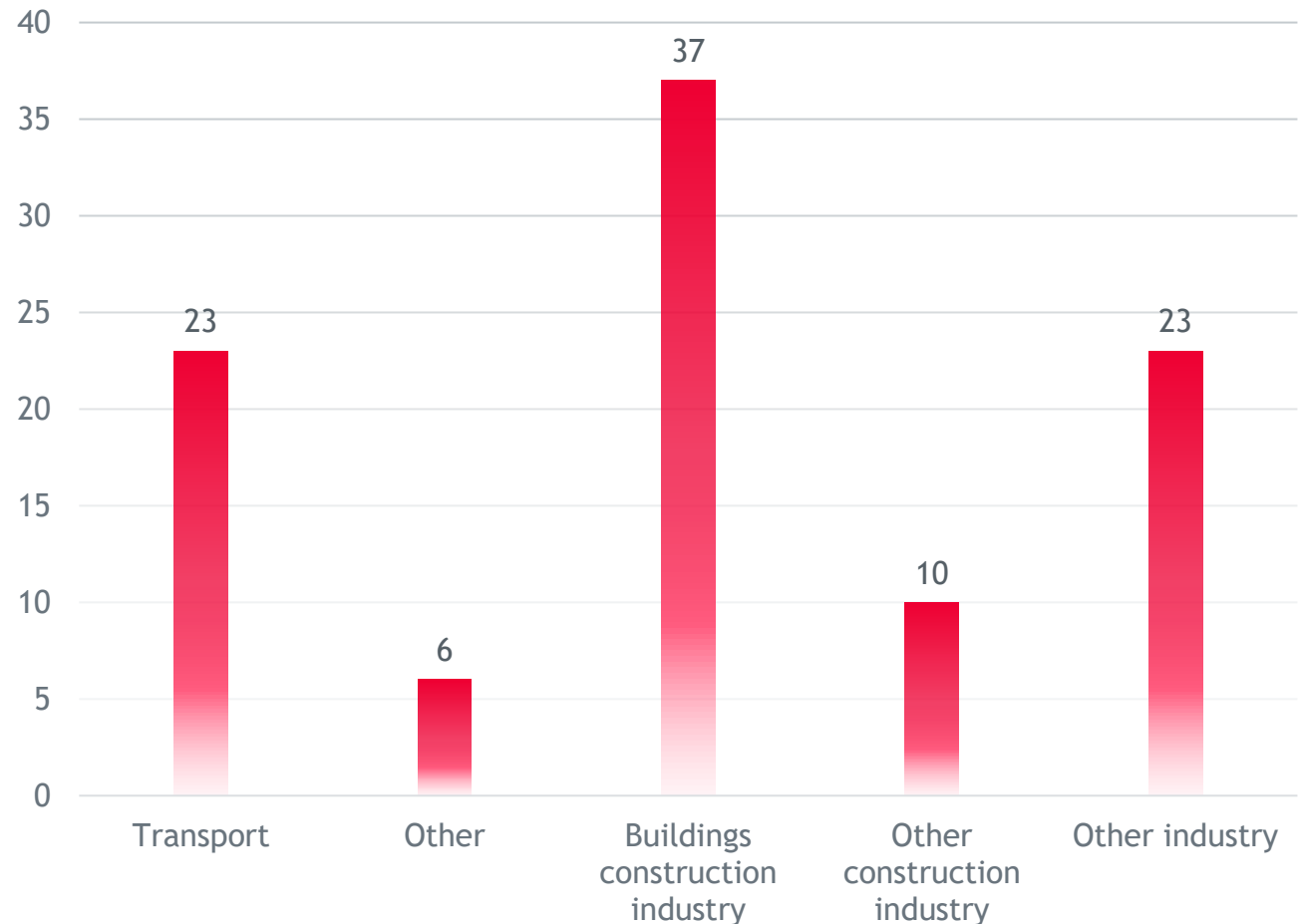


GLOBAL DISPUTES OUTLOOK



2. PUSH FOR CARBON ZERO

Building and construction industry share of global CO2 emissions, 2020
(Source: IEA)



2. PUSH FOR CARBON ZERO

Achieving long-term net-zero carbon ambitions through...

LOW-CARBON
BUILDING
MATERIALS

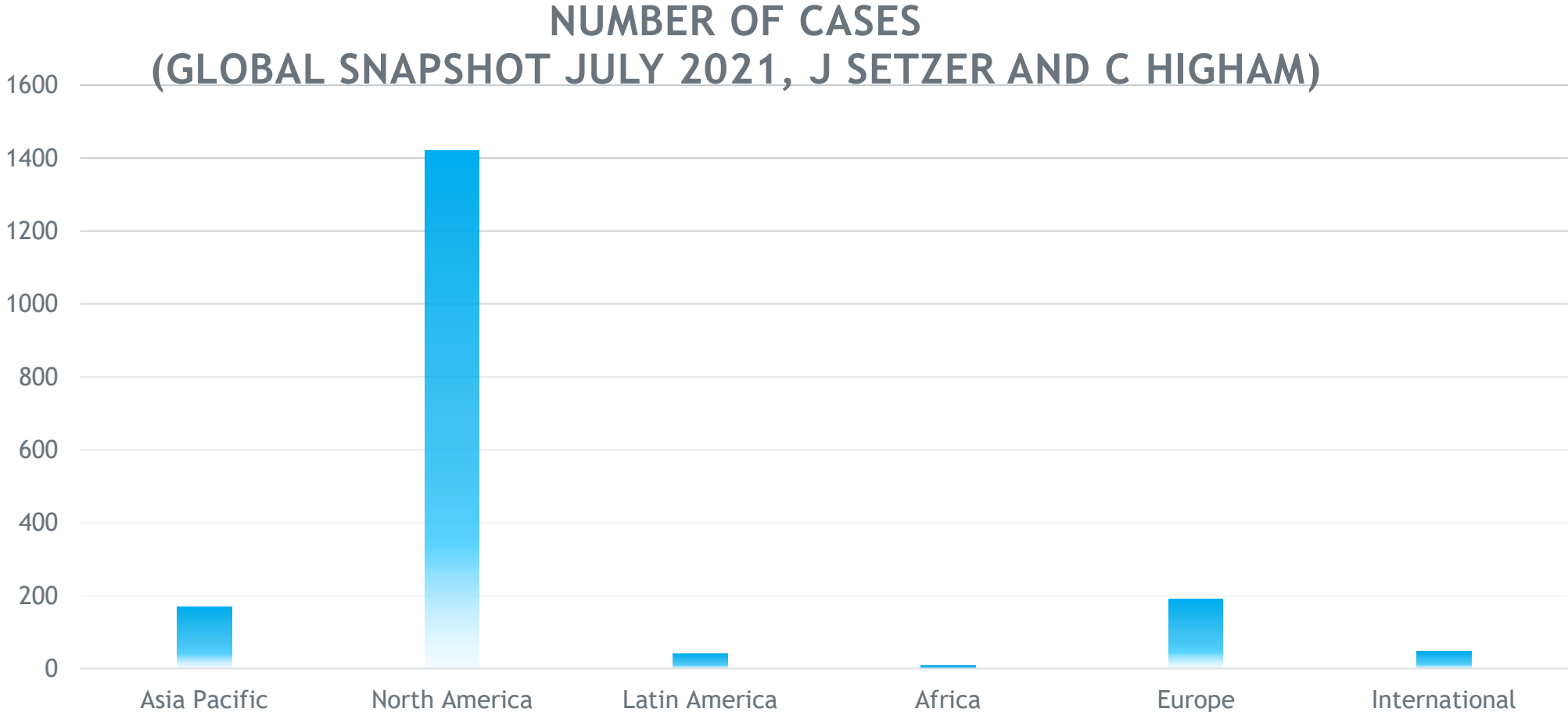
GREEN BUILDING
STANDARDS

CARBON
ACCOUNTING

RELATED
WARRANTIES IN
CONSTRUCTION
CONTRACTS



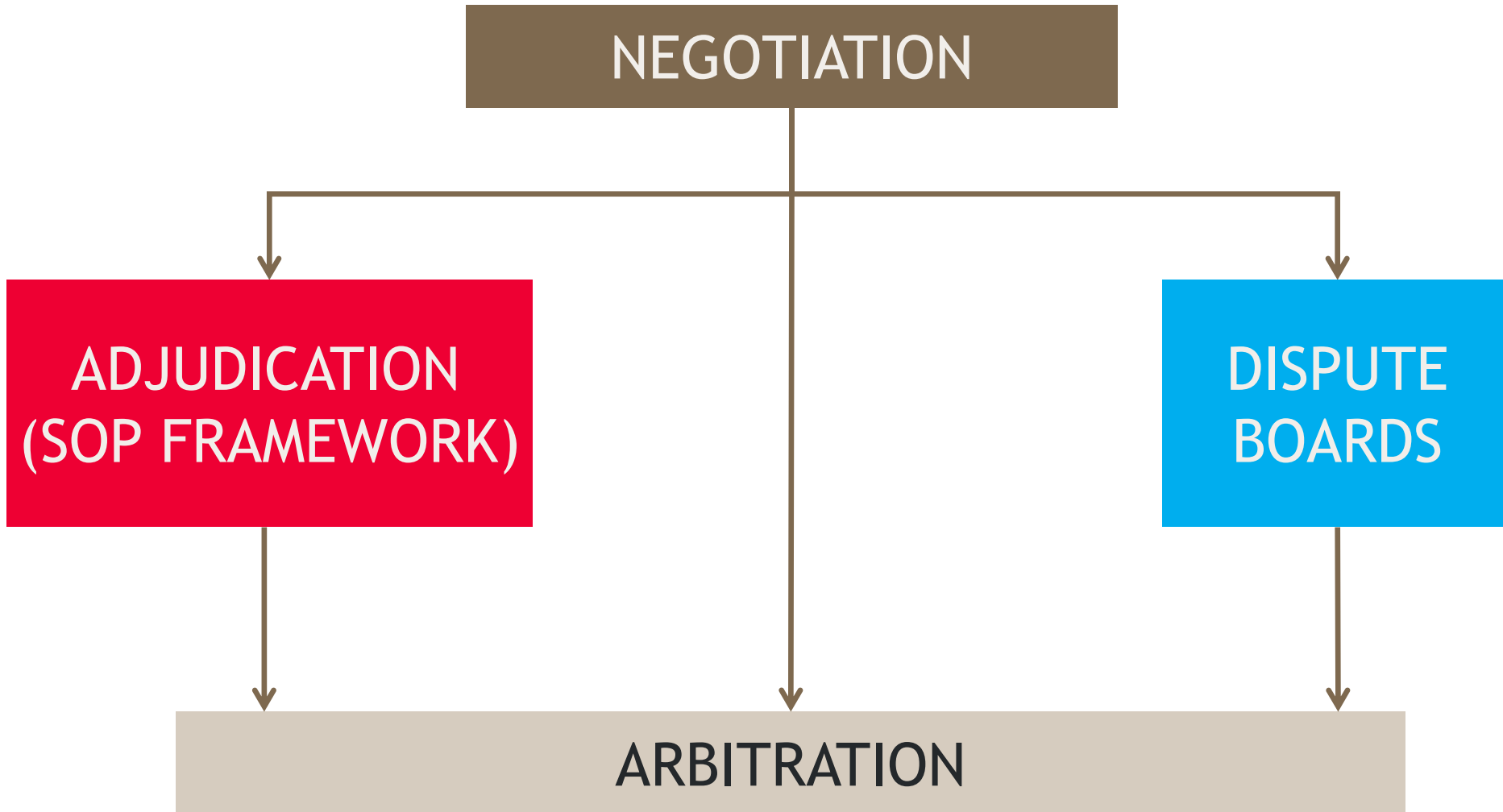
REGIONAL DISTRIBUTION OF CLIMATE CHANGE LITIGATION



3. USE OF ALTERNATIVE DISPUTE RESOLUTION PROCESSES



CONSTRUCTION DISPUTES



4. USE OF TECHNOLOGY IN CONSTRUCTION DISPUTE RESOLUTION PROCESSES



INCREASED USE OF TECHNOLOGY

VIRTUAL HEARINGS

Procedural
Evidence taking



DATA ANALYSIS

Programming data
Site data



VISUALISATION TOOLS

Video tours rather than
site visits
Interactive computer
models



DOCUMENT MANAGEMENT

Electronic filing systems
and court books



OUR DISPUTE RESOLUTION PARTNER



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Amanda is a cross border dispute resolution specialist. She assists her clients to resolve disputes through international arbitration, litigation and mediation. She is an expert in international arbitration in the Asia Pacific region, including in Malaysia, Indonesia, Vietnam, Myanmar, India, China, Hong Kong, Singapore and Australia. She has significant experience in both commercial and investment treaty arbitration. She also acts as international counsel in complex cross border litigation.

Signifying Amanda's expertise and reputation in the field, she is regularly appointed as arbitrator and is on the arbitrator panels of leading arbitral institutions. She is a director of the Singapore branch of the Chartered Institute of Arbitrators and has taught arbitration procedure and law to hundreds of lawyers across the Asia Pacific. She is also a regular speaker at international conferences.
