

Security for Payment

The New Economic Reality
Implications for the HK Construction Industry

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29 October 2009

Background

- Change
- Problems
- Timing and cash flow
- Approaches

Basics

- Contract sum
- Adjustments
- “Events”

“Events”

- Employer's Requirements
- Conditions
- External and Unexpected
- Combination

Leakage

- Real time
- Permanent
- Responsibility and Liability
- value

Solutions

- Human nature
- Risks
- Procurement Strategies
- Special Contracts
- Dispute Resolution

Governments

- Two hats
- Intervention
- Examples
 - International Arbitration
 - UK Adjudication
- Mandatory?

Goodheart's Law

- Framework or intervention
- "Bolting on"
- Examples
 - Arbitration
 - Mediation

Mediation

- Intention
- Reality – final account
- Reasons
 - Benefits
 - Timescale
 - Government
 - Decision making process

Suggestions

- Legislative (decision making)
- Robust and firm
- Preparation
- Use of Professionals
- Administration

Best Method?

Thank you