



# Construction Arbitration in the Middle East

by

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## 1. Construction in the Middle East

- 1.1 Construction projects in the Middle East, and I include under this term engineering projects, form meeting points for many cultures, legal frameworks and concepts. It is for this reason perhaps that in many aspects and in many parts of the Middle East, construction and engineering are at the forefront of technology and development. One such aspect relates to the form of contract used, which is an important part of this paper, since it generally contains the dispute resolution provision for the agreement between the parties. Most construction contracts provide for arbitration as the ultimate method of dispute resolution. This is mainly as a result of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.<sup>1</sup>
- 1.2 Construction contracts, and in particular those in the international field, produce a second layer of legal principles through their Conditions of Contract, which are superimposed on the applicable law of the contract between the parties involved. In the Middle East, the Conditions of Contract used is generally rooted in the standard forms published by the International Federation of Consulting Engineers, "FIDIC".<sup>2</sup>

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<sup>1</sup> *The 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards has been ratified by over one hundred & twenty different jurisdictions worldwide. It has been described as 'the single most important pillar on which the international arbitration edifice rests'; and 'perhaps could lay claim to be the most effective instance of international legislation in the entire history of commercial law'.*

<sup>2</sup> *FIDIC is the acronym for the "Fédération Internationale des Ingénieurs-Consultants" (International Federation of Consulting Engineers). It was originally founded in Ghent, Belgium in 1913 by the national associations of consulting engineers of Belgium, France and Switzerland, but since then it has grown to represent associations from nearly sixty countries around the world.*