



Recent Developments on the Meaning of “Dispute” and their Effect in the Construction Industry *

by
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Synopsis

As the first of the speakers to this Conference may I record the honour bestowed by the invitation and my great pleasure to have been invited.

Yesterday I explored a little of Dubai. I visited the ancient residence of Sheikh Saaed Al Maktoum. One room is devoted to “Manuscripts that Literally Shaped the History of Modern Dubai”. One was in English. It was an agreement between Shell and the Government made just over 40 years ago - on 26 October 1965. Its implications for the history of modern Dubai are not obvious on first reading. It is about the leasing of property of about 150,000 sq. ft. The rent was fixed for 10 years beginning at Rs10,000, plus 12,000 gallons of what was called “motor spirit,” rising to Rs10,000.

However Article 8 was an arbitration clause:

“Any dispute or difference that shall arise between the parties hereto concerning the interpretation or execution hereof or anything here contained or in connection therewith, or the rights and liabilities of either party hereunder, the same shall, failing any agreement to settle it in any other way, be referred to two arbitrators, one of whom shall be chosen by each party, and a referee, who shall also be chosen by the arbitrators hereafter provided but, failing which, by HBM Political Agent in the Arabian Gulf”.

The agreement went on to provide for arbitration in London, by default. English law was to apply. I hope very much that if any such agreement were to be made today the reference to an appointment of the referee by Her Britannic Majesty’s Political Agent would be replaced by a reference to Dubai International Arbitration Centre (DIAC).

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