

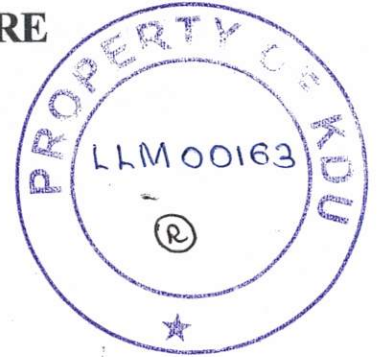
A CRITICAL ANALYSIS ON CONSTRUCTION ARBITRATION IN

SRI LANKA: LESSONS FROM SINGAPORE

AND UNITED KINGDOM

By

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ABSTRACT

The construction industry is experiencing rapid development globally, including in Sri Lanka. Over the past decade, Sri Lanka has witnessed the emergence of mega projects such as the Southern Expressway, Katunayake Expressway, Outer Circular Expressway, Hambanthota Port, Colombo Port City, Altair Apartments, and John Keels Waterfront. However, these complex projects often give rise to intricate disputes. These disputes have stemmed from factors such as inadequate planning, poor performance, financial issues, poorly drafted contract documents, multiple contract parties, and the sheer scale and complexity of the work involved. Resolving disputes over complex construction projects through litigation can be a lengthy and expensive process. As a result, contractors prefer to avoid litigation and instead opt for Alternative Dispute Resolution (ADR) methods like adjudication and arbitration. ADR was initially introduced to provide a faster and more cost-effective means of dispute resolution. Among the various ADR methods, arbitration has gained significant popularity and acceptance within the global construction industry. Unlike court proceedings, arbitration is not bound by strict rules of law and procedure, making it more flexible and adaptable to the specific needs of the parties involved. In this research, a qualitative approach is deemed suitable for examining the subject matter. The researcher conducted desk research to achieve the research objectives, utilizing both primary and secondary legal sources to support the arguments. However, the implementation of arbitration in Sri Lanka has not met the intended objectives. Over time, arbitration has evolved from an informal and straightforward process to a structured and complex procedure, rendering it neither faster nor cheaper than litigation. The costs associated with arbitration, including arbitrator fees, arbitration administration costs, legal fees, and other related expenses, have made it a more expensive option compared to litigation.

Keywords: Alternative Dispute Resolution, Arbitration, Construction Industry