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Our Ref: FEMC-09-EXA-072

1 September, 2009

Dr. Hon. Margaret Ng.
Chairman, Bills Committee,
Legislative Council,
Legislative Council Building,
8 Jackson Road,
Central, Hong Kong.

Dear Dr. Hon. Ng,

Bills Committee on Arbitration Bill Meeting on 5 October, 2009

We would like to make a written submission on the Arbitration Bill.

We submit that "President of the Hong Kong Federation of Electrical and Mechanical Contractors Limited (HKFEMC)" should be added to the list of persons and organizations to be invited as member of the Appointment Advisory Board, under Section 3, Part II of the proposed Bill.

Given that under Arbitration Bill - Schedule 4, Arbitration (Appointment of Arbitrators and Umpires) Rules, Clause 36 (2), Constitution of Appointment, Advisory Board, Rule 3(2) is amended by adding - "(k) The President of The Hong Kong Construction Association", it is essential for the adequate coverage and for the fairness of the Bill that the "President of the HKFEMC" be added as well.

This is because electrical and mechanical work constitutes a very significant part of construction work, which may range from a 20-30% of total construction cost for building works to over 50% of total construction cost for complex technical projects. As a result, electrical and mechanical contractors are an inseparable party in most contract disputes, and their interests should be fairly represented in the appointment of arbitrators.

The HKFEMC is the representative body for all electrical and mechanical contractors in Hong Kong. It works closely with the Hong Kong Construction Association (HKCA) who represents civil and building contractors. But the HKFEMC and HKCA are totally separate organizations.

We had earlier submitted this proposal during an earlier consultation process, but apparently our suggestion has not yet been adopted. We feel strongly that HKFEMC should be involved in the appointment of arbitrators on a Bill that is going to affect its members directly or indirectly in almost all its cases in future.

Yours sincerely,

Otto-POON President