

International construction contracts in the Republic of Belarus

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The implementation of international contracts in the construction sector of the Republic of Belarus is a complex process affecting the pricing system, legal and financial spheres, as well as human resources. Nevertheless, the global trend towards the unification of contract forms has already begun to be implemented on individual projects and requires analysis for subsequent ones. The problems faced by the process of their implementation are very diverse and multifactorial.

The use of standard FIDIC contracts allows to flexibly formulate the terms of the contract and doesn't oblige you to put in the text of the document any excessively strict, unfavorable rules for the parties. Parties have the right at their discretion to change certain provisions of standard FIDIC contracts and are obliged to be guided by the mandatory provisions of the legislation of the Republic of Belarus, which contains a number of such rules. International preform contracts are applicable to the extent not contradicting the mandatory provisions of the legislation of the Republic of Belarus in order to avoid disputes regarding the conclusion and validity of a particular agreement.

The first steps in the implementation are always the most difficult and require the support of management at the highest level even for individual projects, as well as professional training of civil engineers in construction according to modern international standards. There are much more external threats than opportunities on FIDIC implementation. Moreover, threats are more justified from expert's point of view: estimation system to be reformatted, rise of costs, conflicts between stakeholders and lack of professional engineer that already have such an experience. Opportunities has abstract nature and don't show by solid statistical and financial support.

Some strategies to avoid existing problems and support strengths are revealed. First of all, attention must be pointed to weakness and threats that are internal and the most depressive. Cost estimation system update in a matter of more flexibility and legal system adaptation is needed. These options are not common but give maximum support for the next step. No doubts that FIDIC implementation must be initiated from the highest level of governmental authorities and this process has already started. The most powerful opportunity is the potential to implement even more construction projects with foreign funding in Republic of Belarus. This outstanding point is recommended to be the leading advantage of international contracts application. Simultaneously the cost estimation and legislation system must become more flexible not to miss great opportunities that international contract in construction comprise.