



New Burford Capital Research Reveals how Businesses are Preparing for Likely Rise in Global Energy Transition Disputes

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Nearly two in three GCs expect legal fees and expenses to exceed \$4 million per energy transition case

NEW YORK, Nov. 12, 2024 /PRNewswire/ -- Burford Capital, the leading global finance and asset management firm focused on law, today releases new research entitled "[Energy transition disputes: GCs and senior lawyers on the business impacts of legal challenges to come](#)," which demonstrates how businesses are preparing for a likely rise in legal disputes related to the global energy transition. This transition—or the shift to renewable sources of energy—is likely to cause an increase in expensive commercial disputes.

Businesses are investing significant sums in this transition, and corporate commitments highlight the scale of economic engagement as they invest in the new technologies, infrastructure and other resources that will be needed. But multifaceted legal and commercial pressures present businesses with a myriad of potential challenges including contractual disagreements, regulatory compliance issues and the need for [intellectual property enforcement or litigation](#). Burford's research report aims to offer a unique perspective on how corporations foresee the expected rise in litigation and arbitration related to this energy transition, examining the areas of business impact related to this evolving landscape.

Burford commissioned this independent research by capturing insights from 300 GCs and heads of litigation across key industries impacted by the energy transition and spanning North America, Europe, Asia and Australia.

Key findings from the study include:

Disputes relating to the energy transition are rising

- 76% of GCs report they are already encountering disputes related to the energy transition and nearly half (47%) expect a further rise in the volume of such disputes in the next decade, driven by evolving laws, new technologies and infrastructure requirements.

Disputes relating to the energy transition are expected to be costly

- Almost two in three GCs (63%) expect legal fees and expenses to exceed \$4 million per energy transition case; a notable minority (29%) expect per case costs to exceed \$10 million.
- Over half (52%) view high costs as a significant factor in deciding not to pursue disputes.
- Half (50%) of GCs agree that the energy transition will create the need for additional capital sources for the business.

Expected disputes span all types of business conflict

- GCs are most likely to predict (77%) that the energy transition will result in more contractual disputes and commercial arbitration.
- Joint ventures are expected to be particularly prone to disputes over profit allocation (76%) and intellectual property rights (65%).
- Over half of GCs (57%) also expect their businesses to face arbitrations to resolve investor-state conflicts relating to the transition.

New tools are needed to manage the rising dispute costs

- [Legal finance](#) is increasingly used to mitigate the financial burden of these disputes; three in four (75%) GCs have used or would consider using legal finance to offset the cost of disputes relating to this transition.
- In particular, GCs value monetization—or advancing some of the expected entitlement of a pending claim, judgment or award—to generate liquidity from claims tied up in litigation and arbitration. With legal finance, companies can also offset the cost of pursuing affirmative litigation to generate liquidity, shifting legal departments from cost centers to value drivers.

Christopher Bogart, CEO of Burford Capital, said: "Businesses face significant challenges related to the global energy transition due to cross-border projects, differing legal frameworks and rapidly evolving policies. Additionally, long-term energy contracts may not keep pace with energy markets and technologies, resulting in conflicts among stakeholders. Burford's latest research demonstrates the value of corporate finance for law, as legal finance helps companies manage the high costs of energy transition disputes and allows them to pursue meritorious claims without depleting resources."

Burford's research is based on a 2024 survey conducted by GLG and is supplemented by interviews with ten global energy transition experts conducted by Ari Kaplan Advisors.

The [research report](#) can be downloaded on Burford's website.

About Burford Capital

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