EMERGING OIL AND GAS ECONOMIES: MITIGATING LEGAL, POLITICAL AND ECONOMIC RISKS OF FOREIGN INVESTORS IN THE RUSSIAN FEDERATION

by

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With worldwide trends in oil consumption, and a growing fear of its depletion, global energy investors are forced to enter into newly emerging and high-risk energy markets. One such market is the Russian Federation. Russia looms on the horizon as an immense opportunity for domestic and foreign investors. Despite Russia’s willingness to welcome foreign investment capital into its growing economy, foreign investors appear to be reluctant to accept the Russian Federation as a reliable business partner. This thesis outlines some of the major reasons for the current investor’s concerns. It entails a survey of the various investment protection mechanisms that are available to foreign investors in Russia under contract and public international law.
To Elizaveta
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Any errors presented in this thesis are my own.
Index of abbreviations

& And
AFR Additional Facility Rules
BIT Bilateral Investment Treaty
bmc Billion cubic metres
CCPC Procedural Code of the Commercial Court (2002), Russian Federation
CIS (countries) Commonwealth of Independent States
ECOSOC Economic and Social Council
ECT Energy Charter Treaty
Ed(s). Editor(s) or Edition(s)
Et al. And others
EU European Union
FDI Foreign Direct Investment
GA General Assembly
GATT General Agreements on Tariffs and Trade
Ibid Above
ICSID Convention Washington Convention for the Settlement of International Disputes between States and Nationals of Other States, 1965
ICSID Centre International Centre for Settlement of Investment Disputes
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>i.e.</td>
<td>Id est (that is)</td>
</tr>
<tr>
<td>Inter alia</td>
<td>Among others</td>
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<tr>
<td>LICA</td>
<td>The Law on International Commercial Arbitration (1993), Russian Federation</td>
</tr>
<tr>
<td>mb/d</td>
<td>Million barrels per day</td>
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<tr>
<td>MFN principle</td>
<td>Most-favoured-nation principle</td>
</tr>
<tr>
<td>MIT</td>
<td>Multilateral Investment Treaty</td>
</tr>
<tr>
<td>MST</td>
<td>Minimum standard of treatment</td>
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<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
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<td>No.</td>
<td>Number</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>OECD Convention</td>
<td>Convention on the Protection of Foreign Property</td>
</tr>
<tr>
<td>OIC</td>
<td>Organisation of Islamic Conference</td>
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<tr>
<td>Para.</td>
<td>Paragraph</td>
</tr>
<tr>
<td>PCIJ</td>
<td>Permanent Court of International Justice</td>
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<tr>
<td>PSA</td>
<td>Production sharing agreement</td>
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<tr>
<td>PSNR</td>
<td>Permanent sovereignty over natural resources</td>
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<tr>
<td>SCC</td>
<td>Stockholm Chamber of Commerce</td>
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<tr>
<td>tmc</td>
<td>Trillion cubic metres</td>
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<tr>
<td>TNC</td>
<td>Trans-national corporation</td>
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<tr>
<td>toe</td>
<td>Tones of oil equivalent</td>
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<tr>
<td>v.</td>
<td>Versus</td>
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<td>Vol.</td>
<td>Volume</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNCITRAL</td>
<td>United Nations Commission on International Trade Law</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>--------------</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organisation</td>
</tr>
<tr>
<td>U.S</td>
<td>United States</td>
</tr>
<tr>
<td>USD</td>
<td>United States' dollars</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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