

THE IMPORTANCE OF FOREIGN INVESTMENT ATTRACTION IN OIL AND GAS INDUSTRY

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ABSTRACT

The oil and gas industry has been one of the controversial issues among activists. The industry plays a crucial role in the securing economy of the oil-rich countries; apparently, their economies depend on oil and gas industry which has several sections. Clearly, investment in upstream oil and gas operation is substantial in the exploration and development of oil and gas field. There are different rules and regulations in upstream operation. The strict rules in this kind of contract exist because their attempt is to save the parties which are mostly governments or a foreign investor rights. These essential rules are applicable but disputes cannot be ignored due to some disagreements. If any foreign investment in upstream section is one of the parties, ownership of oil and gas resources right, the host government rules and the risk of investor are very important issues that have to be considered. This paper aims to examine these issues and study some of these related laws, as well as to provide an answer to the question as to what extent these laws and rules are able to provide an immune legal structure either for host government or foreign investment in upstream oil activities.

KEYWORDS: Oil and Gas Industry, Foreign Investment, Contract, Upstream, Rules