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Comments on the Address by Dr. Turner

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Main Points

1. US/Euro-centric phenomena
2. Essence of investment treaty arbitration – change of functions of BITs
3. Who are the true profit-takers? – giant enterprises

US/Euro-Centric Phenomena

- **Vast accumulation of knowledge and experience** in the US and Europe
- **Main host states:** developing states such as Argentina, Mexico, Philippines
- Last year RIETI organized **Project on Legal Protection for Overseas Investments**

Essence of Investment Treaty Arbitration

- Change of BIT functions
- Substantial norm aspect:
Expropriation: what is indirect expropriation? Fair and equitable treatment, MFN
- Implementation aspect:
Between governments → investor vs. host state

Who are the True Profit-takers?

- **Risk-hedging Aspect** - compare with investment insurance
- **Small and Medium Projects** - investment insurance is reasonable
- **Big Projects** such as development of natural resources, management of Infrastructure - BITs are efficient tool of risk-hedging. cf. strategy of oil majors