

A governer's to the island with analysing the international law and trade issues ...

[Parts of the World](#), [Europe](#)



As the governor of this island, it is my duty to ensure realization of economic progress by bringing in foreign investors that will help us harnessing the economic potential of our rich natural resources. It is apparent that the lack of investment opportunity in the island has caused the people tremendous economic hardship in terms of improving the quality of living due to the limitations in productive opportunities. However, better days are about to come as our island's natural treasures are about to our ticket to a better future economically. In light of the aforementioned struggle for providing a better living condition for the people, it is an opportunity to announce the forth coming improvements in the island's economic development where foreign together with domestic investors are going to work together to achieve economic development goals. The plans for such improvement encompasses the need for domestic and transnational bilateral cooperation that will guarantee an uninterrupted agenda that are defined as follows;

Agenda 1 - The Island's natural beaches and coastal lines will developed to become a world class tourist destination as foreign businesses are expected to bring their business to the island in the form of high-end hotels and resorts. This coastal development plan will also open several business opportunities to our fellow domestic investors where hospitality services and products will be marketed as part of initiative to boost the local economic condition. As an island nation and member of the European Union, it is a privilege to ascertain progress through MFN or most favored nation principle. Being a member of the regional treaty such as EU, we leverage on committing on the principles of non-discrimination and reciprocity by eliminating tariff protectionist measures (un. org). This is because

harmonized and free trade in which our island is looking forward for economic improvement through international cooperation opens the state to the possibilities of bilateral trade that will reassure continuous flow of investment to the island.

Agenda 2 - The second economic development initiative for the island is the strengthening of product exports. It is apparent that the major domestic product in the island is coal. The amount of coal deposits in the island is a potential source of economic strength in terms of exporting it overseas. The fact the demand for energy is continuously getting higher, it would be a defining opportunity for the state to enter into the energy market. However, the amount of investment needed to dig up the deposits from below the ground is immense that multiple investment cooperation is needed to bring the production into a global scale. On the other hand, the good side of idea is that the 1947 GATT (General Agreement on Tariffs and Trade) set by the World Trade Organization in which the island state is a member suggests a tariff reduction on exports particularly on energy related exports (. In addition, the mining industry initiative is expected to significantly improve the living condition of the people in terms of increasing job opportunities for the locals. However, despite the significant impact of the said initiative to the island's economy, it is likely that the Federal Republic will have hesitations of pushing through this objective due to environmental and regulatory concerns. It is important to understand, concerns regarding implications of foreign investment to the island can be mitigated through arbitrary courts. This is because allowing foreign investments to the region encompasses adherence to treaty regulations given that the island is on the process of EU

membership.

For example, if the foreign business was found to have been violating the domestic laws of the land, they are subjected to sanctioning of the governing bilateral treaty such as the World Trade Organization and ultimately the European Union. If in case a foreign investor has violated any of the provisions of international treaties of trade, the sanctioning will be equal to a significant economic damage. Moreover, the problems of foreign investors tapping into the island's natural resources is the issue of abuse and exploitation, since the island's job market is relatively high due to high unemployment rate, there would be possibilities of foreign businesses that would offer below minimum wage rates for average employees. Such violation constitutes a greater threat for the island in general and to the people because labor force is part of the state's precious commodity. Below standard pay is likely to result to conflict between the state and with the foreign investors. When such problem persists, the people can be assured of favorable mitigation outcome through arbitration. It is not recommended that the labor and trade issues is to be mitigated in Federal Courts because it would only lead to time-consuming appeals.

In addition, international courts could not make an outright decision because such decisions are often unenforceable due to conflicts on the prevailing domestic legislations. The more practical way of resolving trade issues with foreign investors is to escalate them to international arbitration bodies such as the London Court of International Arbitration, International Chamber of Commerce, International Court of Arbitration among others. The UN Convention on the Recognition and Enforcement of Foreign Arbitral

Awards or otherwise The New York Convention of 1958 is regarded as more favorable for all trading countries and its foreign investors (uncitral. org).

Moreover, investors prefer arbitration process that legal pursuits because of the needed level of confidentiality in terms of settlement agreements.

Bottom line is, the people should not be worried about the potential issues that may arise due to foreign investments places on utilization of the island's natural resources because international treaties for trade secures the fare and equal economic opportunity for all state members of the treaty. The goal of the island to create a progressive economic future and to ultimately improve the living condition of the people is still the utmost concern.

Works Cited

General Agreement on Tariffs and Trade (Organization). The General Agreement on Tariffs and Trade: [including Protocols Effective on 15 Feb. 1961]. Washington: U. S. G. P. O, 1961. wto. org. Web. .

Un. org. " Progress in Adherence to Rule of Law Standards Reported to Assembly sLegal Committee, but Inadequacies Are Noted in Some Areas." Welcome to the United Nations: It's Your World. N. p., 13 Feb. 2009. Web. 29 Dec. 2013. .

Uncitral. org. " 1958 - Convention on the Recognition and Enforcement of Foreign Arbitral Awards - the " New York" Convention." UNCITRAL. uncitral. org, 2004. Web. 29 Dec. 2013. .