

Investments

Business



Investment, on the other hand, implies the form or type of participation in the companies. It may also refer to the returns of investments and claims of money or other rights relevant to financial value of an investment. An investment is a movable or immovable property and other rights, like the mortgages, liens, and pledges (Egger et al, 2004). Other inclusions in the investment category are the industrial and intellectual property rights, designs, goodwill, trademarks, knowhow and patents. The business concessions are conferred by either contract or the law, like the natural resources concessions. In a nutshell, an investment will refer to the direct investments made in agreement with the laws and regulations in the territory of the contracting country where the investments are carried out.

It covers all investments carried out in the territory of a contracting country before and after the agreement enters into force. The term territory refers to the area covered by a country plus its maritime regions, in which the country under the international law exercises sovereignty, and the jurisdiction rights. The returns are the amounts yielded of an investment. It includes the dividends, interests and the profits. Both Turkey and China treaties had the main concern of the reciprocal protection of investments where each country, in the contract, expects the other to provide mutual protection as far as services or goods are concerned.

In other words, these countries are in a mutual agreement where each has to benefit from the other. This is stipulations of article two in both the treaties. The article articulates the following in both cases: the investments in each of the contracting countries must follow the country's laws and regulations, in which the trade is taking place. For example, if Qatar decides to invest in <https://assignbuster.com/investments/>

either Turkey or China, then it must abide to the laws of either country, in which territory it has an investment. The treatment of each of the contracting countries on the territory of the other should provide favourable conditions for the counterparts.

This implies that both Turkey and China should be treated with at most equal respect while investing in Qatar. The same should happen to Qatar in the territory of the two countries. The nationals of the contracting country are allowed to enter into commercial agreements and carry out the recommended business in the other country. This implies that the country must arrange for its members visas and work permits appropriately. They are also allowed to pump a substantial amount of resource or capital to the territory of the country. The companies that engage in the investment activities, in a partner country are permitted to use the services of managerial and technical personnel from any country of the world.

This implies that Turkey may obtain the services of managers from China to work in their firms, in the country of Qatar. It gives the investors in a foreign country the freedom of obtaining the best services for their companies, in order to improve their products, both locally and internationally. The article goes further to restrict areas the issues, as follow: on the one hand, the issues of custom unions, economic blocs and any other related international agreement. On the other hand, are the issues relating to the taxation process, either wholly or partly. Both of the treaties also prohibit the expropriation and the compensation should the nationalization of a firm occurs, either directly or indirectly.

This can only happen due to public purpose, but in a discriminatory manner and when payment of prompt is made. However, it must comply with the general principles in the previous articles. Compensation must be equivalent to the exact market value of the goods or services. The compensation is freely transferable and should be paid without any unnecessary delays. If an investor suffers losses in the contracting country due to war, civil disturbance or insurrection, then the investor would be compensated just in line with the other investors in the country. This implies that the investor will not receive any favors over the other participating investors.

Qatar is well known for civil wars of a religious nature. In case, any of these affects an investor from either China or Turkey, then the compensation would follow the procedure as described in the article above. The repatriation and transfer policy in the treaties fall under the same category or is done in a similar way. The transfers that are made freely to any member state are, indeed, the following: returns, the sales from the liquidation of part of the investment in the territory country. The compensation must be in compliance with the article 3 in both cases.

The loans derived from the loans in relation to the investments are also subject to stipulations under this category. The other issues under provisions of the article are the wages, salaries and other remunerations that are given to the employees of one country to another including work permits in the case of the Chinese treaty and otherwise for the Turkish treaty (Dezalay and Garth, 1998). There are also the payments that arise from the investment disputes. The transfers shall be made in a flexible and convertible currency. The currency should be the same as currency of the investment, when it was

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made. The rate of transfer will be the rate applicable during the date and time of transfer.

The countries have, however, arranged their clauses in other articles provisions. The subrogation theory is also an issue found in both of the treaties. If one of the investors on the other territory country is insured against risks of non-commercial nature under a system protected by the law, then any subrogation that may crop from the terms of the insurance agreement must be recognized by the other contracting country. The insurer is entitled to exercise any of the rights that the investor would want to exercise. The legal aspects will be handled according to the article 9 of both the treaties.

It is, however, worth to noting that there are some slight differences in the arrangement of the clauses. In China's treaty, most of the issues discussed above, fall under the article 3 provisions, while that of Turkey purely appears in the article 2. The treaty for Turkey is articulated in an extremely free form of trade where individuals are allowed to engage in business in either of the contracting countries freely. On the contrary, China engages in business with Qatar only after exercising of the relevant, applicable laws. This implies that one has to obtain the travelling documents, visas and the work permit for both of the countries before engaging in any business in the partner country subject to the treaty.

It is also worth noting that the articles in the treaty between Qatar and China are indeed few in number as compared to the articles in the treaty between the Turkey government and that of Qatar. This implies that the Turkey treaty

covered more issues as compared to the treaty of the people's Republic of China. Economically, this shows that Qatar had an interest in trading with China much more than it had with Turkey. It is simply because the economy of China, as a country, is much more developed than the economy of Turkey. For example, China enjoys developed cottages industries, which produce a varied cluster of products, which would attract any country, especially from the Arab region (Vandavelde & Kenneth, 1998). On the other hand, China would favor to obtain the oil products from the Qatar territory.

Turkey, when compared to China, has a little to offer to the Qatar as far as economic development is concerned. This has led to the stringent conditions at in their treaty with Qatar. On a single note, Turkey has some articles in its treaty, which do not appear in the treaty between China and Qatar. The issue of derogation does not appear in the case of China. The article claims that the agreement shall not derogate from the administrative or judiciary decisions of the Qatar state.

It will also not derogate the laws and regulations of either country. This happens in a mutual manner. It may also not derogate the international legal obligations. The obligations that are assumed by either country entitle that the investments that are more favorable are considered non-derogative according to the Qatar Turkey treaty. In conclusion, the discussion above provides enough arguments and evidence to conclude that the similarities between both of the treaties seem to outweigh the differences between them. This is because there is a common country that is being dealt with, and this is Qatar.

It is very clear and understandable that Qatar will surely accord its trade partners almost under the same trade conditions. This is what is seen in Qatar with respect to treaties with both Turkey and the China. For more information, it is proper for countries to engage in the multilateral trade, which comprises of a number of participants. With this multilateral trade, the country, in question, will have the opportunity to look at the different offers brought in to its economy. This will eventually lead to proper choosing of its partners, thereby maximizing its development programs.

It should also consider the new economic order in its territory or the bloc of trade. It should form most economic blocs, but with a lot of caution, since the recommendations in the trade bloc may not necessarily be viable to its economy.