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## The Role of Public Interest in International Oil Arbitration

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### Abstract

This study examines the position and role of “public interest” in international oil arbitrations, a concept that has now transcended the exclusive domain of domestic public law. It has evolved into a legal basis justifying the sovereign actions of states, such as the termination or modification of oil contracts, or the alteration of environmental regulations to safeguard societal welfare, against claims of contractual breaches by foreign investors. The core issue lies in how to strike a balance between the imperatives of public interest and the contractual obligations of states toward foreign investors. The objective of this research is to elucidate this role and evaluate its impact on the jurisprudence of international oil arbitrations. The research methodology is analytical and documentary, grounded in the examination of landmark arbitral awards, such as BP v. Libya, Amoco v. Iran, and Tecmed v. Mexico. The findings indicate that public interest has transitioned from a mere defensive argument to a normative principle within the international oil arbitration system. It currently serves as a fundamental criterion for assessing the legitimacy of state actions and maintaining the equilibrium between national sovereignty and investment rights.

**Keywords:** energy justice; international investment law; international oil arbitration; permanent sovereignty over natural resources; public interest; oil contracts.

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