

MANDATE

18.08.2014

GLEISS LUTZ GAINS VICTORY FOR GERMAN INVESTOR IN INVESTMENT ARBITRATION PROCEEDINGS AGAINST TURKMENISTAN

On 12 August 2014, German investor Adem Dogan prevailed in an investor-state dispute against Turkmenistan and was awarded damages as well as arbitration costs and attorney's fees by an arbitral tribunal constituted under the rules of the International Centre for Settlement of Investment Disputes (ICSID) of the World Bank. The ICSID tribunal found that Turkmenistan had violated its international obligations when it expropriated Adem Dogan's investment in a poultry farm in Turkmenistan without compensation. It thereby affirmed the importance of observing the rule of law with respect to foreign investments in Turkmenistan.

In 1999, Adem Dogan – a German citizen – set up a large poultry farm on land leased from the Turkmen government. Beginning in 2002, the government made several attempts to seize the highly profitable farm. Despite repeated diplomatic and political intervention from the highest German authorities as well as by the High Representative of the Union for Foreign Affairs and Security Policy, Javier Solana, Adem Dogan's poultry farm was expropriated and almost completely destroyed by the Turkmen military in 2007.

The tribunal confirmed its jurisdiction over the dispute on 29 February 2012. During the merits and quantum phase, Turkmenistan insisted that its arbitrary expropriation of Adem Dogan's investment without compensation was justified because it was allegedly consistent with Turkmen law.

Following a week-long oral hearing in July 2013 at the World Bank's Paris offices, the tribunal has now confirmed that Adem Dogan's investment is protected by the German-Turkmen investment treaty and that he suffered losses on account of Turkmenistan's conduct. Based on assurances made by the Turkmen government to the German government there is reason to believe that Turkmenistan will voluntarily comply with the award.

Adem Dogan was represented by Gleiss Lutz lawyers Dr. Stephan Wilske (partner, Stuttgart), Dr. Lars Markert (both lead, Stuttgart), Dr. Martin Raible (partner, Düsseldorf), Todd J. Fox, Laura Bräuning, Dr. Melanie Eckardt and Sarah Kimberly Hughes (all Stuttgart).

PRESS

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