

Renegotiating International Contract Clauses: The Case of Investment Environment Changes in Egypt

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Abstract : The long-term of the contract is one of the major features that distinguish international trade and investment contracts from other internal contracts. This is due to the nature of the contract and the huge works required to be performed from one hand or the desire of the parties to achieve stability in their transactions. However, long-term contracts might expose them to certain events and circumstances that impact the capability of the parties to execute their obligations pursuant to these contracts. During the year 2016, the Egyptian government has taken series of economic decisions which greatly impacted the economic and investment environment. Consequently, many contracts have encountered many problems in their execution due to such changes that greatly influence the performance of their obligation, a matter that necessitated the renegotiation of the conditions of these contracts on the basis of the unpredicted changes that could be listed under the Force Majeure Clause. The principle of fair and equitable treatment in investment placed on an obligation on the Egyptian government to consider the renegotiation of contract clauses based on the new conditions. This paper will discuss the idea of renegotiating international trade and investment contracts in Egypt with reference to the changes the economic environment has witnessed lately.

Keywords : change of circumstances, international contracts, investment contracts, renegotiation

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