

## **PUBLIC STATEMENT: Rotalin v Moldova arbitration at the World Bank, Washington D.C.**

On June 28, 2022, Rotalin Gaz Trading LLC (**Rotalin**) and its shareholder, RTI, formally submitted their Request for Arbitration against the Republic of Moldova at the International Centre for the Settlement of Investment Disputes at the World Bank. Rotalin is disappointed that, after 18 years and tens of millions of dollars of investment into the future of Moldova, without any return, it has been forced to resort to international arbitration to ensure the government of Moldova respects its obligations and treats Rotalin fairly.

Rotalin is a subsidiary of a private Western company, established in the Republic of Moldova in 2003 with operations in the distribution and supply of natural gas. It is the **largest private investor** in Moldova under the National Gasification Program of 2002 and the **2nd largest** Distribution and Supply Operator in Moldova with 3% market share. As the only **effective competitor** to Moldovagaz, over its 18 years of operation, Rotalin has invested in connections to over 20,000 customers in over 44 cities and villages, with a network of over 1,200 km of pipeline.

Despite being best placed to open up the gas market in Moldova, and thereby to ensure the **security of supply** to Moldovan consumers, Rotalin's numerous attempts to do so, and to compete with Moldovagaz over the past years were constantly stymied by the Regulator and the Government. Meanwhile, Rotalin's regulated distribution tariffs were unfairly set at a level that would never permit the recovery of its investment – in fact, they are barely sufficient to ensure **safe and secure operation** of its network. Rotalin has used its best efforts to engage constructively with the Government of Moldova to address this situation, and remains open to doing so; but thus far, the Government has shown no serious interest in finding a resolution. Today, as a candidate for membership in the European Union, Moldova continues to blatantly flout both its own laws and international and European obligations in its treatment of Rotalin – one of the handful of private foreign companies to have invested effectively in the development of Moldova. The rule of law is a cornerstone of development; and the economy of Moldova, and its people, will continue to languish unless its Government respects its obligations and treats investors fairly and without discrimination.

**Rotalin is represented by Baker McKenzie LLP.**