

Compensation and prevention of damage resulting from offshore drilling in China

Citation for published version (APA):

Jiang, M. (2022). *Compensation and prevention of damage resulting from offshore drilling in China*. [Doctoral Thesis, Maastricht University]. ProefschriftMaken.nl. <https://doi.org/10.26481/dis.20221123mj>

Document status and date:

Published: 01/01/2022

DOI:

[10.26481/dis.20221123mj](https://doi.org/10.26481/dis.20221123mj)

Document Version:

Publisher's PDF, also known as Version of record

Please check the document version of this publication:

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Summary

In the past four decades that China has devoted to its offshore oil exploration and production, a model of joint development between the China National Offshore Oil Corporation (CNOOC) and foreign operators has been used. Drilling for oil offshore is a challenging task with multiple hazards, as oil spills may originate both from daily operations and from offshore accidents. Therefore, it is considered as threats to life and property and endangers the marine ecosystem. This book examines the legal remedies for compensating and preventing offshore oil damage in China, which generally include, *inter alia*, tort liability, claims process, insurance, and regulation. Some unique features rooted in the Chinese offshore oil industry fundamentally shape the liability distribution and the approaches to implement the rules, creating new challenges to damage compensation and ecological remediation. Based on a law and economics approach, observations are made on the efficiency of the legal regime to evaluate if the existing rules are in line with economic starting points. The *Bohai Bay Oil Spill* in 2011 is used a case study to demonstrate what features are resonated with or deviated from the theoretical findings. Following the limitations of the Chinese legal system as specified, the study ends with policy recommendations based upon a functional comparative study with several selected countries.

Overzicht

In de afgelopen vier decennia dat China zich wijdde aan zijn offshore-exploratie en productie van olie, is een model van gezamenlijke ontwikkeling tussen de China National Offshore Oil Corporation (CNOOC) en buitenlandse operators gebruikt. Offshore olie boren is een uitdagende taak met meerdere risico's, aangezien olie lekkages zowel door dagelijkse operaties als door offshore-ongevallen kunnen gebeuren. Daarom wordt het beschouwd als een bedreiging voor leven en eigendom en vormt het een gevaar voor het mariene ecosysteem. Dit boek onderzoekt de juridische instrumenten voor het compenseren en voorkomen van offshore olieschade in China, waaronder in het algemeen onder meer aansprakelijkheid uit onrechtmatige daad, claimprocedure, verzekering en veiligheidsregulering. Enkele unieke kenmerken die geworteld zijn in de Chinese offshore-olie-industrie bepalen

fundamenteel de verdeling van de aansprakelijkheid en de benaderingen om de regels te implementeren, waardoor nieuwe uitdagingen ontstaan voor schadecompensatie en ecologische sanering. Op basis van een rechtseconomische benadering worden observaties gedaan over de efficiëntie van het wettelijk regime om te beoordelen of de bestaande regels in overeenstemming zijn met economische uitgangspunten. De *Bohai Bay Oil Spill* in 2011 wordt gebruikt als case studie om aan te tonen welke kenmerken resoneren met of afwijken van de theoretische bevindingen. In navolging van de gespecificeerde beperkingen van het Chinese rechtssysteem, eindigt het onderzoek met beleidsaanbevelingen op basis van een functioneel vergelijkend onderzoek met enkele geselecteerde landen.