

# The South China Sea PCA Award and Economic Implications for Philippine EEZ Rights

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*The South China Sea Arbitration Award* of 12 July 2016 yielded significant economic implications with regard to how the United Nations Convention on the Law of the Sea (UNCLOS) would govern the rights of the parties in the South China Sea area, including the Philippines and China's respective exclusive economic zones (EEZs), among others. In this Article, the Authors explain how the decision answers three major economic law questions related to the interpretation of the UNCLOS namely:

- (1) Whether certain features were owned or capable of ownership or dominion and sovereignty;
- (2) Whether there were any overlapping EEZs, and the related question of which features generate an EEZ; and
- (3) Whether there still existed any legally recognized traditional fishing rights in the EEZs.

In particular, the Article mentions that this ruling has landmark implications in determining that the Philippines is the only coastal State, in relation to China, that possesses an EEZ within the subject waters of *The South China Sea Arbitration*. With this, the Article goes into an extensive discussion of the various EEZ rights and entitlements connected to the Award. It also discusses the EEZ system of the UNCLOS itself and examines the two "conflicting" concepts of sovereignty and sovereign rights — pertaining to non-living and living resources, respectively — in order to understand the economic implications of *The South China Sea Arbitration Award*.

After a discussion of the various economic implications, the Article concludes with how the decision affirms international law principles manifested through diplomatic dialogue.