At the time of the historic meeting between Chinese President Xi Jinping and his US counterpart Barack Obama in Sunnylands, California, many wondered if the pronouncements of personal bonhomie and mutual bilateral cooperation were mere diplomatic niceties papering over irreconcilable differences, or truly the start of a new, more positive, relationship between the dominant power, the US, and the rising power, China.



A SHOT IN THE ARM

Now with the conclusion of the fifth Strategic and Economic Dialogue, the first fruits of that tieless encounter are appearing, and the harvest looks promising.

While some cynical observers claim that the only major flowering of the new Sino-American relationship at the S&ED was the fast-tracking of a Chinese garden in Washington's National Botanical Garden, I wholeheartedly disagree.

During the confidence building stage of this new relationship, attitude is as important as substance. China could have easily torpedoed this S&ED to express its pique over former National Security Agency agent Edward Snowden's expos of the US surveillance programme. The US could have done so over Hong Kong's refusal to hand Snowden over to it to face the American justice system. Instead, positions were strongly expressed and duly noted, and the dialogue was able to take place.

In addition to progress on issues such as improved military-to-military cooperation, the environment and a host of other matters, China's new stance after nine previous inconclusive sessions on a "Bilateral Investment Treaty" is big news, although the hardest work is yet to come, and because of ongoing congressional paralysis, US approval requiring a two-thirds majority in the Senate should a mutually acceptable treaty be negotiated, is, at best, probably years away. However, this treaty could be a game-changer.

Most BITs are generally limited to adjudicating routine investor disputes. But China has gone on record to negotiate the BIT with "high standards", indicating that it will include all stages of investment and all sectors.