

ARBITRATION UNDER CHINA'S INVESTMENT TREATIES — DOES IT REALLY WORK?

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ABSTRACT

The People's Republic of China was initially slow to adapt to the modern regime of protection of foreign investments, partly due to sovereignty concerns. However, just as in many other fields of economic importance, in the last decade China has caught up with — if not overtaken — many industrialized countries in the coverage and protective scope of foreign investments. Also, in recent years, it has had its first experience with the practical consequences of investment protection, namely investment arbitration proceedings. In light of a seeming "reservation" to the dispute settlement mechanism under the ICSID Convention and restrictive dispute settlement provisions in China's investment treaties, the question of whether arbitration under China's current investment treaty regime really works still remains. This question shall be answered by an analysis of the modernization of China's investment policy and its impact on potential investment arbitration proceedings.

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