

## Economic QuickView



### Trump-Xi Summit: Constructive Strategic Stability Takes Shape in China-US relations

- On 14-15<sup>th</sup> May, President Trump visited Beijing to meet with President Xi, strengthening bilateral ties for the world's two largest economies.
- The summit resulted in commitments to strengthen mutual communication, stabilise trade, and expand market access.
- The summit reduces near-term geopolitical risks and provides stability, combined with the possibility of Xi's visit in September.

**The widely anticipated Trump-Xi meeting concluded with "constructive strategic stability" for China-US relations.** On 14<sup>th</sup> to 15<sup>th</sup> May 2026, US President Donald Trump visited Beijing to meet with China President Xi Jinping, marking his second state visit to the Chinese Mainland since his first term in 2017. The summit was highly anticipated against the backdrop of the 2025 tariff escalation and the ongoing US-Iran conflict. Given the significance of this high-level meeting, observers were closely monitoring the summit outcome for signs of the outlook for bilateral relations between the world's two largest economies.

Following the summit, the White House issued a fact sheet highlighting consensus on several key issues. Notably, the two sides agreed to establish a bilateral trade and investment board to address investment-related concerns and manage trade across non-sensitive goods. Other agreements include Chinese commitments to purchase US aircraft and agricultural products, alongside efforts to alleviate rare earth supply chain shortages. Separately, the Ministry of Commerce (China) announced mutual agreements on targeted tariff reductions, noting that the US will actively work to resolve trade barriers affecting Chinese dairy and aquatic exports.

After the summit concluded, President Trump extended an invitation for President Xi to visit the US in September. As many details of these trade arrangements require further confirmation or negotiations, this forthcoming meeting is expected to provide further clarity.

Table: Xi-Trump Meeting Timeline

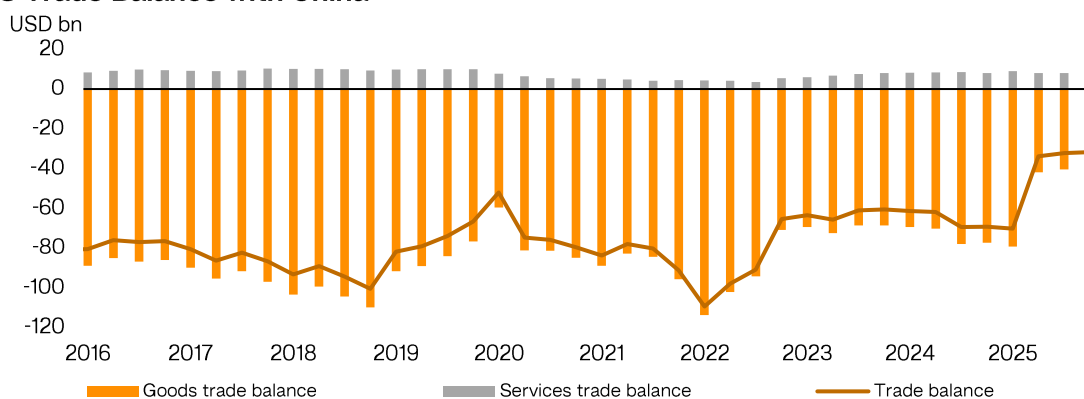
Date	Location	Setting
Apr-17	Mar-a-Lago, Florida	Bilateral summit
Jul-17	Hamburg	Slidelines, G20 summit
Nov-17	Beijing	State visit
Dec-18	Buenos Aires	Slidelines, G20 summit
Jun-19	Osaka	Slidelines, G20 summit
Oct-25	Busan	Slidelines, APEC summit

Source: Bloomberg

**The summit resulted in commitments to strengthen mutual communication, stabilise trade, expand market access, and maintain bilateral ties.** First, the summit produced institutional agreements intended to manage tensions and foster dialogue. The creation of a Board of Trade and a Board of Investment, to manage bilateral trade across non-sensitive goods and discuss investment-related issues, signals a vital step toward reaffirming economic cooperation.

Second, vital agricultural purchases were secured. China has committed to increasing imports of US agricultural products, agreeing to purchase a minimum of USD 17 billion annually through 2028. China also renewed market access by lifting non-tariff barriers to hundreds of US beef facilities, which should boost US beef exports.

**US Trade Balance with China**

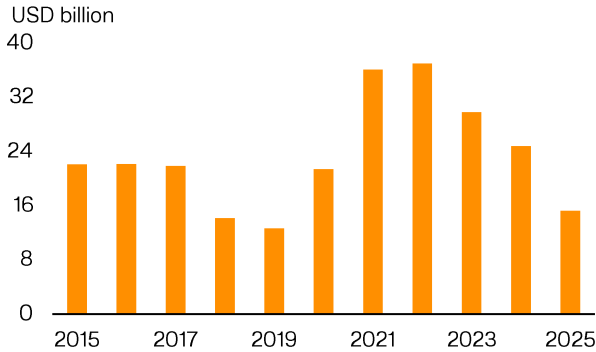


Source: CEIC

Aviation was another area of progress with China agreeing to an initial purchase of 200 US-made Boeing aircraft for Chinese airlines. Trump further mentioned that the total number of purchases could rise to 750 based on performance. This could bolster US aerospace manufacturing and its supply chain, with Bloomberg projecting the aircraft deal to result in an annual increase of up to

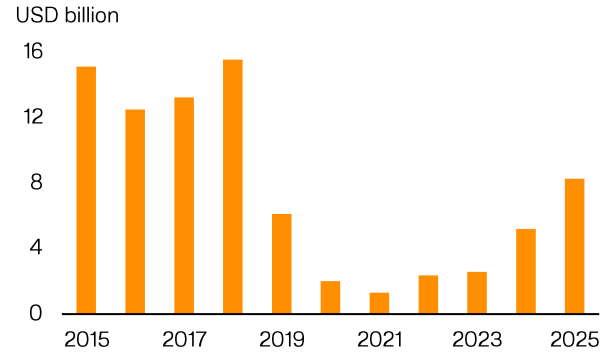
USD 3.7 billion in China's imports from the US. Supply chain relief was provided further with China's easing export controls on rare earths and other critical minerals. The US also reportedly granted Nvidia the authorisation to sell one of its advanced AI chips to Chinese companies, a breakthrough for cooperation in the high-tech sector, though the exact purchases will be subject to further confirmation. Overall, these agreements will rebuild bilateral trade activities between China and the US.

**China's Imports of Agricultural Products from the US**



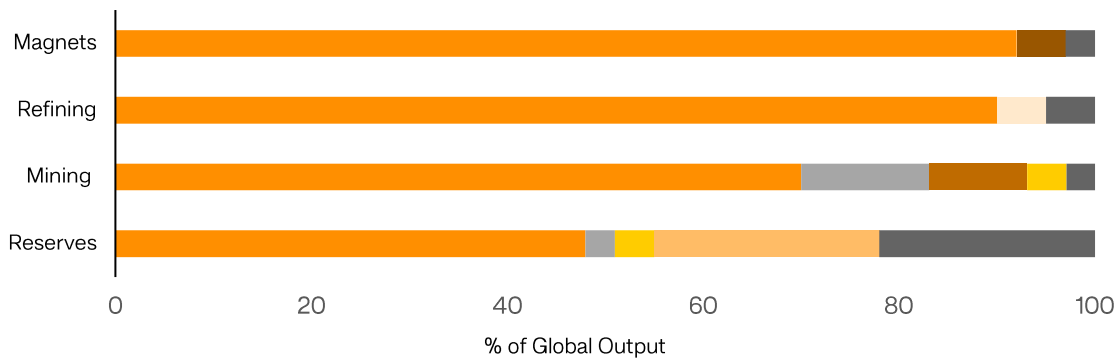
Source: General Administration of Customs

**China's Imports of Aircraft from the US**



Source: General Administration of Customs

**Rare Earth Value Chain — China's Dominance (2025)**



Source: IEA, Bloomberg

## The Outlook

**The Trump–Xi summit delivered an important engagement, providing stability for bilateral economic ties.** Official statements from both sides concluded the summit with forming a new relationship of "constructive strategic stability". This relationship will offer strategic guidance for both sides in the coming three years, signaling significant stability moving forward. First, near-term tail risk for escalating tensions has abated. Second, while deliverables remain sector-concentrated in aerospace, semiconductors, and agriculture, the new Boards provide a credible vehicle to broaden them. Third, President Xi's prospective visit to Washington in September may lead to more concrete deals building on the consensus reached in Beijing. In the longer term, an emerging trade and investment board could potentially help to lower barriers to trade and investment and stabilise bilateral ties.

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