ISSUE BRIEF

INSTITUTE OF STRATEGIC STUDIES ISLAMABAD
Web: www.issi.org.pk
Phone: +92-51-9204423, 24
Fax: +92-51-9204658

'MANAGED RIVALRY': ASSESSING TRUMP'S CHINA VISIT

By
Mahrukh Khan
Research Fellow
Centre for Strategic Perspectives (CSP), ISSI
Email Address mahrukhkhan@issi.org.pk

Edited by
Dr Neelum Nigar

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)

President Donald Trump's May 2026 visit to China marked one of the most significant diplomatic episodes in Washington–Beijing relations amid intensifying strategic and economic competition between the two powers. In light of growing instability in the international environment, the visit underscored the shared understanding of the unsustainable nature of tensions between the world's two biggest powers.

In the past decade, Washington has portrayed China as a revisionist nation, challenging the liberal international system, dominating vital technologies, and emphasizing economic nationalism, strategic decoupling, industrial protectionism, and the reshoring of critical industries. The Trump administration viewed China's state-led economic model, subsidies, intellectual property practices, and technological expansion as threats to American manufacturing and national security. Beijing, however, continued to defend the global order, advocate multipolarity, sovereign development models, and alternative financial and technological ecosystems. China's emphasis on state-managed capitalism, long-term industrial planning, and infrastructure diplomacy initiatives such as the Belt and Road Initiative (BRI) stood in contrast to Washington's increasingly protectionist and transactional approach.

The visit itself carried immense symbolic and strategic significance. According to official Chinese statements, it was the first U.S. presidential visit to China in nearly nine years and Trump's second visit to the country since 2017. Chinese officials described the meetings between President Trump

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and Chinese President Xi Jinping as extensive discussions covering bilateral relations and major global issues. Beijing stated that both sides agreed to pursue a "constructive China-U.S. relationship of strategic stability" intended to guide relations over the coming years.[1]

One of the most notable aspects of the visit was the composition of the accompanying American delegation. Trump was joined not only by senior officials but also by an influential group of corporate leaders representing some of the largest U.S. companies operating in China or dependent on Chinese markets and supply chains. Reports indicated participation by executives of major firms, including Apple, Boeing, Tesla, and BlackRock. Elon Musk, Tim Cook, Larry Fink, David Solomon, Jane Fraser, Cristiano Amon, and other prominent executives were part of the broader delegation.[2]

The inclusion of major business leaders highlighted a defining characteristic of Trump's foreign policy approach: the fusion of strategic diplomacy with economic deal-making. Unlike traditional diplomatic delegations centered primarily on political or security officials, Trump's delegation underscored that corporate engagement and trade arrangements remain central instruments of statecraft. It also reflected recognition within Washington that complete economic decoupling from China remains unrealistic given the degree of interdependence between the two economies.

Economic and trade issues dominated the discussions in Beijing. Both governments signaled willingness to reduce tensions generated by earlier tariff confrontations and retaliatory measures. According to official statements from the White House and the Chinese Ministry of Commerce, the two sides agreed to continue implementing earlier tariff reduction arrangements and pursue further negotiations on reciprocal tariff adjustments.[3]

Chinese officials announced that both sides would establish trade and investment councils designed to institutionalize economic dialogue and manage bilateral commercial disputes. These councils are expected to focus on tariff reductions, investment concerns, market access, and non-tariff barriers affecting both countries.[4] The establishment of these mechanisms is significant because it suggests

1 "Xi, Trump Reach Series of New Common Understandings: China's Foreign Ministry," *State Council*, People's Republic of China, May 15, 2026, https://english.www.gov.cn/english.www.gov.cn/news/202605/15/content_WS6a069dc0c6d00ca5f9a0afad.html

2 Aimee Picchi and Megan Cerullo, "Why Are So Many U.S. CEOs in China with Trump, and What do They Want?" *CBS*, May 14, 2026, https://www.cbsnews.com/news/trump-china-trip-xi-jinping-us-ceos-business-interests/

3 "China, U.S. Achieve Positive Outcomes in Economic, Trade Consultations: Ministry," May 17, 2026, *State Council*, People's Republic of China, https://english.www.gov.cn/news/202605/17/content_WS6a0919b1c6d00ca5f9a0b025.htm

4 "China, U.S. Achieve Positive Outcomes in Economic, Trade Consultations: Ministry," May 17, 2026, *State Council*, People's Republic of China, https://english.www.gov.cn/news/202605/17/content_WS6a0919b1c6d00ca5f9a0b025.htm

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an attempt to create a more predictable framework for economic engagement after years of highly volatile trade relations.

Agriculture emerged as another major component of the negotiations. Reports indicated that China committed to substantial purchases of American agricultural products over the coming years, including soybeans and other commodities. According to White House-linked reporting, China agreed to purchase at least $17 billion annually in U.S. agricultural goods between 2026 and 2028.[5]

Aviation and technology also featured prominently during the visit. Trump announced that China would purchase approximately 200 Boeing aircraft, marking a potentially significant commercial breakthrough for the U.S. aerospace industry.[6] Chinese aviation authorities subsequently held discussions with executives from Boeing and GE Aerospace, indicating renewed momentum in commercial aviation cooperation after years of restrictions and tensions.[7] At the same time, the talks revealed the continued limits of bilateral rapprochement. Chinese officials repeatedly underlined the preliminary nature of agreements that require further negotiations, mechanisms, timelines, and company participation, reflecting Beijing's broader approach to managing relations with Washington: maintaining engagement while avoiding concessions that could be interpreted domestically as strategic weakness.

Strategic and geopolitical issues were equally important during the discussions. Chinese statements stressed the need for "strategic stability," a phrase that carries considerable significance in Beijing's diplomatic vocabulary. It implies avoiding confrontation, managing crisis escalation, and recognizing mutual red lines,[8] suggesting recognition of the dangers and challenges stemming from rivalry, particularly amid tensions over Taiwan, technological restrictions, maritime security, and military deployments in the Asia-Pacific.

5 "China to buy at least $17 billion in US agricultural products annually, White House says," *Reuters*, May 17, 2026, https://www.reuters.com/world/china/china-buy-least-17-billion-us-agricultural-products-annually-white-house-says-2026-05-17/

6 Eduardo Baptista, "China Says Trump Visit Deals Are 'Preliminary'," *Reuters*, May 17, 2026, https://www.reuters.com/world/china/china-says-trump-visit-deals-are-preliminary-2026-05-16/

7 China Airline Regulator Met GE, Boeing Executives After Trump Visit," *Reuters*, May 17, 2026, https://www.reuters.com/world/asia-pacific/china-airline-regulator-met-ge-boeing-executives-after-trump-visit-2026-05-17/

8 "Xi, Trump Reach Series of New Common Understandings: China's Foreign Ministry," May 15, 2026, *State Council*, People's Republic of China, https://english.www.gov.cn/english.www.gov.cn/news/202605/15/content_WS6a069dc0c6d00ca5f9a0afad.html

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Competing Narratives

From China's perspective, the visit represented an opportunity to project itself as a stabilizing global power willing to engage constructively despite intense competition. Chinese state narratives emphasized mutual respect, coexistence, and pragmatic cooperation. Beijing also appeared keen to reinforce the idea that China and the U.S. can coexist without ideological confrontation. This messaging aligns with China's broader efforts to present itself internationally as a defender of stability, economic openness, and multipolarity.

For Trump, the visit offered an opportunity to demonstrate diplomatic effectiveness through transactional negotiations and visible economic outcomes. The emphasis on aircraft deals, agricultural purchases, tariff adjustments, and investment frameworks reflected his long-standing preference for measurable bilateral agreements over abstract multilateral commitments. The visit also allowed Trump to present himself domestically as capable of extracting concessions from Beijing while maintaining a firm stance on American economic interests.

Nevertheless, the broader structural realities shaping U.S.–China relations remain unchanged. Strategic distrust continues to define the relationship. Policy pundits at the Capitol remain deeply concerned about Beijing's technological and military modernization, influence in global institutions, and growing economic and strategic partnerships across the Global South. China, meanwhile, continues to view U.S. alliances, export controls, semiconductor restrictions, and Indo-Pacific security initiatives as elements of a broader containment strategy.

The visit, therefore, represents less a reconciliation than a recalibration of competition. Both sides appear to be moving toward a model of "managed rivalry" in which competition remains intense but is moderated through structured dialogue and cooperation. This approach differs significantly from the earlier phase of uncontrolled escalation categorized by tariff wars, diplomatic breakdowns, and rapidly deteriorating trust.

Implications

The implications for the international system are considerable.

1. Neither Washington nor Beijing seeks outright economic rupture. The global economy remains too interconnected, particularly in sectors such as finance, technology, manufacturing, aviation, agriculture, and energy. The resumption of structured economic dialogue may therefore reduce immediate risks of severe global market disruptions.

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2. The world is likely to witness the continuation of selective decoupling rather than comprehensive separation. Critical technologies linked to national security — including semiconductors, Artificial Intelligence (AI), quantum computing, and telecommunications — will likely remain highly contested. However, broader commercial engagement in less sensitive sectors may continue, especially where mutual economic dependence creates incentives for cooperation.

3. Both the U.S. and China are seeking to shape international norms, institutions, and supply chains according to their strategic visions. Washington continues to emphasize alliance networks, democratic partnerships, and strategic industrial policies. Beijing, meanwhile, promotes sovereign development models, infrastructure connectivity, and South-South cooperation.

4. Countries in Asia, the Middle East, Africa, and Latin America are increasingly adopting hedging strategies, seeking economic engagement with China while maintaining security and technological ties with the United States. The trajectory of U.S.–China relations will therefore significantly influence global trade patterns, investment flows, technological ecosystems, and diplomatic alignments.

5. Global governance, climate change, financial stability, maritime security, and AI are areas where U.S.–China cooperation remains essential despite broader rivalry. The absence of cooperation between the world's two largest economies would severely weaken the effectiveness of international responses to transnational challenges.

6. Although the visit avoided major public confrontations over Taiwan, the issue remains the most dangerous flashpoint in bilateral relations. Beijing continues to regard Taiwan as a core sovereignty issue, while Washington maintains strategic commitments to Taiwan's security. Any crisis in the Taiwan Strait could rapidly undo recent stabilization efforts. Thus, while economic cooperation may improve temporarily, strategic competition in the Asia-Pacific is expected to persist.

Conclusion

Ultimately, Trump's visit to China reflects the emergence of a more pragmatic phase in U.S.–China relations. Both sides appear increasingly aware that permanent confrontation carries immense economic and geopolitical risks. Yet neither side is prepared to compromise on core strategic issues or competing visions of global order. The relationship is therefore likely to remain characterized by

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simultaneous competition, interdependence, negotiation, and strategic caution. Although the meeting did not signal any fundamental change in the structure of American-Chinese competition, it did indicate an effort to restore stability through selective cooperation and a pragmatic approach.

The visit demonstrated that despite years of escalating hostility, both countries still recognize the necessity of dialogue. This mixture of competition and interdependence formed the underlying backdrop of Trump's latest visit to Beijing. However, the visit clearly signaled that the future of global politics will continue to be profoundly shaped by the interaction between the United States and China — two powers locked in rivalry or interdependence. The world will witness periodic cycles of tension and stabilization, with structural competition over technology, influence, and security. The result is likely to be a fragmented but interconnected international system navigating overlapping spheres of influence rather than Cold War-style blocs. The international system will see an era of managed strategic competition between the two states, and cooperation becomes selective, transactional, and issue-specific.

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