



**Zoltán VÖRÖS – Viktor ESZTERHAI:  
China–United States Summit:  
Frameworks for Negotiations and Managed Rivalry<sup>1</sup>**

**Executive Summary**

- The Xi-Trump summit in Beijing did not create a new G2 order or a comprehensive great power deal, but it did contribute to the minimal strategic stabilization of U.S.-China relations.
- The economic and strategic parity between the parties, as well as domestic political pressures, have pushed both Washington and Beijing toward controlled competition and de-escalation.
- The meeting mainly yielded transactional economic results, while no significant breakthroughs were made on the most important geopolitical issues – technological restrictions, Taiwan, military crisis management.
- The most important outcome of the summit was the emergence of the principles of "constructive strategic stability," which could become the operational framework for managed U.S.-China rivalry in the future.
- The meeting confirmed that Washington and Beijing continue to shape their relations primarily along their own economic and strategic interests, while neither party is interested in the uncontrolled escalation of open confrontation.
- The emerging managed competition may increase the predictability of the global system, but it may also narrow the maneuvering space of middle powers and allied states in the bargaining processes between the two great powers.

**The Xi-Trump summit held in Beijing from May 13 to 15, 2026, was the second official leaders' meeting of Donald Trump's second presidential term. The moderate expectations were confirmed: neither a comprehensive "grand bargain" was reached, nor did the parties establish new institutional frameworks for cooperation; "at the same time, they set the minimum operational framework for managed great power competition." In a period when strategic stability has become the primary objective for both parties, this can be considered a significant advancement in terms of the predictability of the international environment.**

**1. Introduction**

In the spring of 2025, almost exactly a year before the 2026 summit, the two states were trying to put an end to their escalating trade war when they agreed on May 12 to normalize and de-escalate their trade relations. The Geneva agreement was ultimately considered a partial success: while the trade war was successfully halted, the pact was more of a temporary ceasefire

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# John Lukacs

## Analyses on Global Affairs

### 2026/4

than a comprehensive trade agreement.<sup>2</sup> Although there were follow-ups in London, Stockholm, and Kuala Lumpur, the trade relationship between the two parties remained unresolved and continued to be subject to diplomatic outbursts and mutual economic pressure (such as the constant threat of tariff increases or the strict control of rare earth metal exports).<sup>3</sup>

The fragile ceasefire was ultimately stabilized by the parties' G20 meeting in October. Beyond the easing of tariffs, they also hinted at the development of a comprehensive "grand bargain"<sup>4</sup> that could have defined the framework of U.S.-China cooperation in the long term. Several analysts interpreted this as the beginning of a possible G2 era, while others pointed out that due to the structural geopolitical and geo-economic conflicts between the two powers, such an agreement is unlikely to be sustainable in the long term.<sup>5</sup>

The road to the summit was indeed not without tensions. Due to the Iranian war, Washington ultimately postponed the visit by a month<sup>6</sup>, which clearly demonstrated the instability of the international environment and the interconnectedness of geopolitical crises. The meeting ultimately took place, indicating that both parties saw more advantage in minimally stabilizing relations than in escalating uncontrolled competition.

This analysis argues that the most important outcome of the summit was not the establishment of a new great power deal, but the setting of minimal operational principles for managed great power competition. Accordingly, the analysis presents the strategic environment preceding the summit, the resulting expectations, and the actual outcomes of the negotiations, and then places these in a broader international context to draw conclusions about the future directions of the transformation of the Global Order.

## 2. Background: Expectations and Structural Constraints

During the period between the two summits, in addition to internal factors, changes in the international environment determined the negotiating positions of the parties. Washington was evidently still not prepared to retreat toward a full-scale economic war (there was not enough time for preparing society, stockpiling, or repatriating industry), and it primarily tried to improve its positions through military actions. Although the United States' actions against Venezuela and Iran were not directly aimed at China, the measures against partners and raw material sources crucial for Beijing had severe indirect effects on China. Although this may not have been Washington's primary goal, they likely calculated that these conflicts would provide geopolitical leverage against Beijing – however, the protraction of the Iranian war has significantly diminished the strategic value of these cards. However, in the context of the current negotiations, the protraction of the Iranian conflict has proven to be a more urgent constraint for Washington. Facing the upcoming midterm elections, time is rapidly running out for the American administration; the unpopular Middle Eastern conflict and the resulting inflationary pressures present

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<sup>2</sup> VÖRÖS, Zoltán - ESZTERHAI, Viktor: [The price of retreat – the lesson of the US-China trade agreement](#). *John Lukacs Analyses on Global Affairs*, 2025(6), pp. 1-9. [online, May 18, 2026]

<sup>3</sup> HULD, Arundse: [Breaking Down the US-China Trade Tariffs: What's in Effect Now?](#) *China Briefing*, April 20, 2026. [online, 13 May, 2026]

<sup>4</sup> GAO, Henry: [Can Trump Strike a Grand Bargain With Xi?](#) *Tablet*, October 30, 2025. [online, May 17, 2026]

<sup>5</sup> HULD, Arundse: [Breaking Down the US-China Trade Tariffs: What's in Effect Now?](#) *China Briefing*, April 20, 2026. [online, 13, May, 2026]

<sup>6</sup> Guardian: [Trump's trip to meet Xi Jinping in China rescheduled for May due to Iran war](#). *The Guardian*, March 26, 2026.03.26. [online, May 17, 2026]



immediate domestic political risks, placing Trump under increasing pressure to seek compromise at the summit.

On the other hand, China systematically continued its preparations for a potential external conflict or international crisis. On the one hand, it has further strengthened its own geo-economic pressure capabilities: Beijing has introduced legal regulations that sanction foreign companies diversifying their supply chains<sup>7</sup>, and it continues to maintain its export control and licensing system for rare earth metals. This bureaucratic background allows Beijing to restrict the global supply of strategically important raw materials at any time, depending on geopolitical tensions.<sup>8</sup> This strategy directly affects the military-industrial capacities maintained by Washington, posing a serious challenge to American foreign policy, which is engaged on multiple fronts. On the other hand, China continued to stockpile raw materials, so its preparation for external crises provided a significant advantage in the context of the closure of the Strait of Hormuz, especially due to its strategic oil reserves sufficient for four months.<sup>9</sup> This accumulated stockpile meant that at the precise moment of the summit, Beijing was not under immediate duress, granting it a clear tactical advantage. Although a prolonged blockade of the strait and rising global energy prices would inevitably filter into the Chinese economy over the long term, the immediate pressure of time was borne primarily by Washington.

Overall, prior to the summit, the shift in the balance of power appeared to favor Beijing. Although no fundamental revision of Washington's position was expected in traditional geopolitical issues such as the Taiwan question, given the United States' legal commitments and its longstanding strategy of preserving the status quo, the broader international environment had nevertheless changed significantly. The United States' prolonged military engagements in other regions continued to absorb Washington's resources and strategic attention, which – while not directly undermining the credibility of its security guarantees toward Taiwan – noticeably constrained the room for maneuver of American diplomacy. At the same time, a direct alteration of Taiwan's military status did not serve the immediate interests of either side, causing the issue to recede temporarily behind more urgent economic and geopolitical challenges. Consequently, it appeared realistic to expect that, rather than open confrontation, the logic of limited cooperation and the logic of mutual loss minimization would come to dominate the summit. This dynamic was ultimately rooted in two deeper structural factors.

### **2.1. Capacity Parity and Domestic Political Realities**

The 2025 American-Chinese negotiations and the autumn Trump-Xi meeting highlighted the fact that the two superpowers are economically unable to bring each other to their knees. A kind of capacity and functional parity has developed between the parties: they possess regional and global capacities, trade dominance, and strategic advantages that enable them to bring about significant mutual damage, while neither society can bear the long-term costs of a strategic victory.

Moreover, neither American nor Chinese domestic political realities can bear the costs of a classic, escalating great power competition, and their political legitimacy is indeed contrary to this:

- *From the American perspective:* Trump's main promise to his voters is the strengthening of the domestic economy, not an exhausting, ideologically-based Cold War. The voters' priority is to curb

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<sup>7</sup> JUMAWAY, Jessica: [China's New Supply Chain Security Laws Reshape Global Trade Amid Diversification Push](#). *Trade Council*, 10.04. April 10, April 10, 2026. [online, May 13, 2026]

<sup>8</sup> BASKARAN, Gracelin - SCHWARTZ, Meredith: *Rare Earth Export Restrictions One Year Later*. CSIS.org, april 27, 2026. [online, May 18, 2026]

<sup>9</sup> DOWNS, Erica: [Implications of the Conflict in the Middle East for China's Energy Security](#). *Center on Global Energy Policy*, 2026.03.04. [online, May 15, 2026]



inflation and stimulate the American market. Trump does not want to close off, but rather "open" the Chinese market to American exports, as he emphasized before his trip.<sup>10</sup>

- *From the Chinese perspective:* The cornerstone of the internal legitimacy of the Chinese Communist Party is the success of social modernization and economic restructuring. This ambition is symbolized by the central political program championed by Xi Jinping, 'the great rejuvenation of the Chinese nation' (*Zhonghua minzu weida fuxing*), which links economic upgrading with the institutional mandate to restore China's historical great power status. Crucially, the realization of this national program depends on navigating structural economic challenges; to successfully avoid the middle-income trap and stabilize its domestic market, China fundamentally requires a predictable and stable external geopolitical environment.

Despite the remaining deep rivalry, the parties are structurally interested in maintaining communication channels. The de-escalation, therefore, is not a consequence of mutual trust, but a strategic necessity arising from balanced capacities.

## **2.2. The Limitations of the G2 structure**

Although Donald J. Trump already began his Busan meeting with Xi Jinping on October 30, 2025, with the remark that "the G2 will meet soon"<sup>11</sup>, but there was virtually no indication of this in practice. Since no real institutional solutions have been established since then, the term has remained primarily rhetorical in the relationship between the two powers. A true G2-like structure would imply that the two powers are capable of jointly shaping and enforcing the main rules of the international system. However, nothing of the sort exists: the parties do not share a common understanding of order, and the global legitimacy that would make an American-Chinese condominium acceptable to the international community is completely lacking. Accordingly, the expectations for institutionalization related to the summit have remained inherently limited.

## **3. Transactional Results and Strategic Gaps**

The assessments of analysts who expected moderate results from the meeting proved to be accurate. Although the summit was a spectacular event from a diplomatic and protocol perspective, the parties actually achieved very few concrete, systemic agreements. The negotiations were primarily driven by pragmatic domestic political and economic considerations. Instead of a comprehensive strategic agreement, a transactional package was created in which both parties primarily sought to assert their own domestic political and economic priorities.

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<sup>10</sup> POLITI, James - LEAHY, Joe: [Donald Trump demands Xi Jinping 'open' China to US business](#). FT.com, May13, 2026. [online, May 18, 2026]

<sup>11</sup> TANG, Didi: [G2 or not G2: Trump's new favorite term for US-China relations carries a lot of history's baggage](#). APNews.com, November 4, 2025. [online, May 15, 2026]

- *What did the U.S. get?* For Trump, the summit primarily delivered a domestic communications victory. The American president could present tangible, high-profile economic pledges to his domestic base—particularly within the agricultural sector and industrial districts—effectively reinforcing his image as a "dealmaker". China committed to purchasing 200 Boeing airplanes, and discussions were held to significantly increase American agricultural and energy imports.<sup>12</sup> Beijing has committed to opening certain markets important to American companies, encouraging American investments, and importing significant quantities of American crude oil.<sup>13</sup> Although these agreements can be interpreted as a success for Washington, the financial and monetary details of the background deals remain unclear. Ultimately, the grand protocol surrounding the summit fit perfectly into the image of the American president, who constantly strives to project himself as a pivotal, irreplaceable "statesman" shaping global affairs..
- *What did China get?* In terms of direct economic concessions, China achieved fewer spectacular results; however, for Beijing, the most important outcome of the meeting was the implicit American recognition of its status as an equal great power. With this, Washington implicitly acknowledged China's increased global weight and influence. This great power status appeared both in Chinese communication and in the symbolic framing of the meeting. Secondly, China's open call for cooperation was visibly supported by the American delegation as well.

The agreements noticeably did not address the highly publicized strategic and security policy issues. Three key areas fell short of the expected breakthrough:

- *Maintaining technological containment:* The policy of technological containment has been shaping U.S.-China relations since the first Trump administration. Although this strategy slows down China's technological catch-up, it also creates significant costs for American companies, which are partially pushed out of the Chinese market.<sup>14</sup> At the same time, Beijing continues to increase its support for domestic technology companies. The issue of technology restrictions would therefore logically have been suitable for forming a partial compromise, especially due to the strong lobbying from the American business sector. Nevertheless, the meeting did not bring an openly communicable breakthrough in this area.
- *The issue of institutionalized military hotlines:* In light of the Iranian war and the escalation around the Strait of Hormuz, experts primarily expected a rethinking of direct military-diplomatic crisis management channels. Although a theoretical declaration of intent was made regarding the "better" use of communication channels<sup>15</sup>, it resulted in a defensive network without institutional guaranties.
- *Taiwan and the maintenance of strategic ambiguity:* There has still been no significant rapprochement on the most sensitive geopolitical issue. Chinese state media prominently indicated that Xi Jinping treated the Taiwan issue as the most important "red line" in bilateral relations<sup>16</sup>, while the White House's official statement did not mention the island.<sup>17</sup> Trump's later statement

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<sup>12</sup> Reuters: [China to buy at least \\$17 billion in US agricultural products annually, White House says](#). Reuters.com, May 17, 2026. [online, May 18, 2026]

<sup>13</sup> Financial Times: [White House says Donald Trump and Xi Jinping agreed on 'board of trade' at summit](#). FT.com, May 18, 2026. [online, May 18, 2026]

<sup>14</sup> WANG, Lixia - SHA, Lin - GU, Yingqian - GUO, Fangyuan: [The US-China Trade War: Who is More Injured?](#). *Journal of Contemporary China*, vol. 35, no. 157, 2026, pp. 1267-1283. [online, May 18, 2026]

<sup>15</sup> Xinhua: [Xi holds talks with Trump in Beijing](#). *Xinhua*, May 14, 2026. [online, May 14, 2026]

<sup>16</sup> *Ibid.*

<sup>17</sup> The White House: [From the Bilateral Meeting in Beijing](#). *X.com*, May 14, 2026. [online, May 14, 2026]

that “both sides need to calm down a bit” primarily reflected the intention to maintain the status quo.<sup>18</sup> This mutual caution clearly indicates that raising or forcing the Taiwan issue was not considered timely by either side within the context of the current negotiations; the primary objective of both powers at this juncture was not to escalate tensions, but to maintain a more predictable, less competitive relationship.

Based on the above, it can be concluded that the direct outcomes of the summit remained modest, but they clearly indicated the operational logic of future U.S.-China relations in terms of the future dynamics of the relationship between the two major powers.

#### 4. Constructive Strategic Stability: The Rules of the Managed Competition Game

The most significant outcome of the summit was not a groundbreaking “grand bargain”, but the establishment of the principles that were made public by Chinese communication and defined by Xi Jinping. Although new cooperative mechanisms have not yet been established, Beijing has laid the theoretical foundations for future joint institutionalized mechanisms. In his opening speech, Xi made it clear: the “common direction” is not just a slogan, but a strategic guide for the next three years. According to the Chinese narrative, “constructive China-U.S. strategic stability” is based on four principles (*tifa*):

- 1) Positive stability with cooperation as the mainstay,
- 2) Solid stability with moderate competition,
- 3) Constant stability with manageable differences,
- 4) Enduring stability with promises of peace.<sup>19</sup>

This formulation reflects carefully constructed strategic messaging. The stabilized relationship is not the opposite of rivalry, but rather a framework that seeks to make long-term rivalry manageable and sustainable. In essence, this amounts to a doctrine of disciplined great-power competition. The principles accept that the U.S.-China relationship remains competitive – as Xi indicated to the Biden administration in 2023<sup>20</sup> – while insisting that the competition be “moderate” and the differences “manageable”.

This conceptual framework provides a dual advantage for Beijing. On the one hand, Xi and his circle can present the meeting domestically as having succeeded in stopping the pressure from the Trump administration, compelling Washington to treat China as an equal partner. On the other hand, Beijing implicitly reserves the right to define what constitutes “acceptable” or “moderate” competition. Thus, any future American action – whether it involves addressing Chinese industrial overcapacity or further tightening technology export restrictions – could easily be portrayed as a violation of the “constructive strategic stability” approved by Trump and Xi, thereby legitimizing its own countermeasures. Naturally, this political ambiguity provides Washington with the exact same freedom of interpretation. Since the most contentious issues (fentanyl, intellectual property rights, dumping) were left untouched by the parties, a ‘moderate competition’ lacking precise definitions is actually a two-edged sword: in the event of a future escalation, Washington is equally prepared to point back with counter-measures, claiming that stability was disrupted by China’s prior or new actions.

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<sup>18</sup> YOON, Eunice - MANGAN, Dan - BREUNINGER, Kevin: [Trump says China and Taiwan should ‘both cool it’](#). *CNBC.com*, May 15, 2026. [online, May 15, 2026]

<sup>19</sup> Xinhua: [Xi-Trump meeting charts course for constructive strategic stability in China-U.S. ties](#), *Xinhua*, May 17, 2026.05.17. [online, May 14, 2026]

<sup>20</sup> US Embassy in China: [Readout of President Joe Biden’s Meeting with President Xi Jinping of the People’s Republic of China](#). *US Embassy in China*, November 17, 2023. [online, May 17, 2026]



# John Lukacs

## Analyses on Global Affairs

### 2026/4

Based on all of the above, the proclaimed principles do not signal the beginning of a post-competition era. It remains uncertain, however, whether they are capable of foreshadowing a more mature form of great-power rivalry – managed through direct communication channels and issue-specific coordination – or whether, in practice, they will remain merely rhetorical declarations, hollowed out by the persistence of underlying conflicts.

#### **5. Conclusion**

The summit did not bring about a new world order or a comprehensive great power deal, but it did contribute to strengthening the minimal strategic trust between the two parties. The basis for this was the logic of “mutual benefits”, which Xi Jinping articulated by stating that the Great Rejuvenation of the Chinese Nation and the “Make America Great Again” agenda could even be realized in parallel. In addition, the meeting contributed to the establishment of the minimal operational rules for great power coexistence. This minimal stability is an essential prerequisite for the establishment of common, institutionalized crisis management mechanisms in the future, which could provide the framework for managed great power competition. Whether these mechanisms will indeed be established during Trump’s presidency remains uncertain; in this regard, Xi Jinping’s future visit to Washington may be indicative. In any case, from the perspective of global stability, it is a positive development that the parties have steered their relations toward managed great power competition instead of uncontrolled escalation.

At the same time, the meeting has broader global and regional implications. For emerging states, a key issue will be how managed great power competition shapes their maneuvering space and interests. On the one hand, stability increases predictability and can positively impact their economic opportunities; on the other hand, they are likely to have less and less influence over great power bargaining processes. This is particularly true for the Southeast Asian middle powers, Japan, Australia, and the ASEAN states, who increasingly have to face the dilemma that while they still need American security guaranties, they must increasingly align their economic strategies with Chinese economic realities.

Instead of the G2, the pragmatic logic that prioritizes the economic and strategic interests of states continues to prevail. Although the various trade and economic partial agreements may exert a stabilizing effect in the short and medium term, in the absence of a comprehensive strategic agreement, we cannot speak of a lasting resolution. In this sense, the meeting can still be considered significant, as it provided further evidence that the unipolar moment has definitively ended. While the Obama administration had already recognized China's growing global weight, its approach was still predicated on the assumption that Beijing's rise could be managed and balanced through international institutions, the rules-based order, and the reinforcement of the American alliance system and strategic focus. The current situation, however, reflects a qualitative shift: for Washington, the mere “containment” of China is becoming increasingly unrealistic, and it is progressively necessary to treat Beijing as a peer great power. Consequently, the current negotiations are no longer taking place between a dominant and an accommodating actor, but between two powers exerting major influence over global dynamics.

Managed competition thus rewrites the operational logic of U.S.-China relations, but it by no means signifies the end of strategic rivalry. In the international system, we still have to deal with two dominant great powers that continuously reevaluate geopolitical power dynamics and their own relative positions. The frameworks established now will remain in effect as long as they serve the interests of both parties: Washington and Beijing will both revise these rules the moment they deem it possible to maximize their relative advantages without incurring significant costs. In this sense, the Chinese concept of “constructive strategic stability” cannot be considered a permanent state, but rather the current, temporarily stabilized operational form of great power rivalry.



# John Lukacs Analyses on Global Affairs 2026/4

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