

The Trump–Xi meeting. A fragile truce on unclear conditions

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On 30 October, the first meeting in six years between Donald Trump and Xi Jinping took place. The two leaders reached an agreement to de-escalate the trade dispute, though both sides offered differing accounts of the outcome in the sensitive matter of China's export control regime on critical raw materials. Beijing officially declared a one-year suspension of the implementation of the rules it had announced on 9 October. The White House, however, claims that the Chinese authorities also committed to a 'de facto removal of controls China imposed since 2023' and to the issuing of general licences for US end users and their suppliers around the world. In addition, Washington announced that China agreed to roll back a series of other retaliatory measures undertaken since the spring of this year.

The official statements from both sides are consistent on several points, including Washington's withdrawal from the September expansion of the list of entities subject to restrictions, the reduction of tariffs on Chinese goods, the mutual suspension of proceedings in the maritime sector and of port fee increases, joint efforts to curb fentanyl trafficking, and the resumption of Chinese purchases of US agricultural products. According to Trump, the meeting sets the stage for further high-level negotiations, including his planned visit to Beijing in April 2026.

The leaders' meeting did not mark a breakthrough in US–China relations. The underlying strategic conflict of interests remains unresolved, and the agreement should be interpreted as a temporary pause in the escalating trade dispute. Both sides are effectively buying time to reduce their dependence on the rival in key areas – advanced technologies (imported by China) and critical raw materials and components (imported by the United States).

Commentary

- **The significant discrepancies between the official statements released following the meeting further heighten the likelihood of a renewed and imminent escalation of tensions.** The list of concessions attributed to China and published by the White House, is notably longer and more detailed than that issued by China's Ministry of Commerce. According to the US account, the Chinese authorities agreed to a substantial easing of the increasingly stringent export control regime imposed in recent years, which covers not only rare earth metals and the technologies for their production but also other critical raw materials such as gallium, germanium, antimony, and graphite. The implementation of these commitments will prove decisive for the fate of the agreement. Any genuine divergence over their scope – or delayed, selective compliance by the Chinese side –

could prompt Trump to reignite the conflict. At the same time, any further US offensive measures, similar to those taken in September, would likely be perceived by Beijing as a violation of the truce's terms.

- **The de-escalation of the dispute and the prospect of further negotiations are advantageous for both sides.** Beijing regards the Busan agreement as a success since, under pressure from the imminent introduction of sweeping restrictions on rare-earth exports, the White House once again retreated from aggressive measures and failed to secure any fundamental concessions from China, such as adjustments to its economic model. Moreover, the outcome has reinforced Beijing's belief in the effectiveness of its assertive negotiating tactics and the soundness of its chosen path of economic development (see [‘The economy according to Xi Jinping: a technological ‘leap forward’](#)). Engaging in broader talks with Trump offers China an opportunity to delay further economic blows. The US president, for his part, has emphasised that the meeting turned out to be his great negotiating success and that its outcomes will directly benefit ordinary Americans – for instance, in the agricultural sector (such as soybean exports). He has also sought to portray the agreement as the beginning of a more enduring arrangement between the two powers (which he refers to as the ‘G2’), stressing that it could be expanded in the years ahead. This message is intended to reassure both the US business community and the domestic public. The suspension of the trade conflict also provides the United States with additional time to reduce its strategic dependence on China, particularly in the field of critical raw materials.
- **The suspension of China's October export restrictions will also benefit other economies, including the European Union.** Beijing has confirmed that it will suspend the implementation of the extraterritorial export control regulations on rare earth metals announced on 9 October, along with the related restrictions concerning batteries and superhard materials (see [‘A blow dealt to Europe's defence: China steps up control of strategic exports’](#)). This does not apply solely to the United States but to the entire world. Washington, for its part, has stated that the Chinese authorities will also issue ‘general licences’ for the export of rare earth metals, gallium, germanium, antimony, and graphite to US companies and their foreign suppliers. If these pledges are fulfilled, European businesses will be placed at a disadvantage compared with their US competitors. The European Union will, however, seek to use this precedent to its advantage in its own ongoing negotiations with Beijing, although China is expected to demand clear concessions in other areas. Moreover, according to the White House, under the terms of the deal the Chinese authorities have agreed to take steps to ensure the resumption of exports of chips produced at Nexperia's plants in China – components vital to the global automotive industry. Beijing has confirmed that such steps will indeed be taken but has denied linking them to the talks with the United States. The Chinese authorities halted the shipments after the government in The Hague assumed control of the Dutch-based segment of the company owned by Chinese investors.