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Whither US-China Relations Under Trump 2.0?

By Yang Zi

SYNOPSIS

Donald Trump's second presidency renewed the focus on US-China relations long strained by trade disputes, China's military growth, Taiwan, and the South China Sea. While Trump's return may bring about escalations in tensions, his unpredictability and expanded powers could worsen ties or create unexpected opportunities for improvement.

COMMENTARY

Donald Trump returned to the White House on 20 January after a long and contentious presidential campaign. During his time as president-elect, Trump grated the nerves of Denmark, Panama, Mexico, and Canada. However, he has been less abrasive with China and recently had a productive [phone conversation](#) with Chinese leader Xi Jinping. He even promised to give a [75-day reprieve](#) to TikTok in the hope of striking a [joint venture](#) deal, while indicating to advisers that he wants to [visit China](#). Like the first Trump administration, China looms large for Trump 2.0 as the US' chief competitor.

Unchanging Rivalries

Significant improvements in bilateral ties remain unlikely when geopolitical rivalry underpins US-China relations. The two countries have increasingly engaged in conflicts since China's rise in the early 2000s. In essence, the US and China represent two contrasting political and economic systems: the US champions free-market capitalism and democracy while China promotes [state capitalism](#) within a socialist single-party system.

The two nations lead competing alliances, with the US spearheading Western-centric coalitions like AUKUS and the Quad that aim to maintain Indo-Pacific security status

quo while China constructs alternatives such as BRICS and the Shanghai Cooperation Organization to counterbalance US-led alliances.

Recurring security conflicts often compound these systemic differences. Taiwan remains the most contentious subject. As a long-time supporter of Taiwan, the US has supplied the island with arms and maintained a [security partnership](#), which China sees as interference in its domestic affairs because it considers Taiwan to be a breakaway province of China.

The South China Sea is another flashpoint and involves US allies in Southeast Asia. Despite international arbitration, the conflict remains unresolved, with [China-Philippines relations](#) deteriorating in the past year due to several clashes between their coast guards. The US strongly opposes China's territorial claims and advocates for the freedom of navigation in the South China Sea. Although tensions in the East China Sea have calmed in recent years, the dispute with Japan [could resurface](#) in the near future if Beijing deems it politically advantageous.

The exceptional growth of the Chinese military over the past decade has alarmed the US. Since the early 2010s, China has invested heavily in strengthening the People's Liberation Army. In the past years, China has demonstrated its newfound military capabilities in [joint manoeuvres around Taiwan](#) and confrontations with the Philippine Coast Guard. Under Xi, the Chinese military undertook comprehensive reforms to "win wars". The recent revelation of a [sixth-generation](#) fighter aircraft indicates China's accelerating advancements in warfighting capabilities which have raised anxiety in Washington.

Trade and technological competition constitute key battlegrounds in the US-China geopolitical rivalry. [Persistent disputes](#) over China's market access, intellectual property rights, and trade imbalances continue to strain relations. The US has frequently criticised China's state-led economic model and its global infrastructure projects, such as its Belt and Road Initiative. The two nations are also fiercely competing in industries such as semiconductors and [cutting-edge technologies](#), increasing the likelihood of future conflicts as global reliance on these resources deepens.

Lessons From Trump 1.0

The first Trump administration (2017-21) saw a steep decline in US-China relations. The US sought to counter China's rise with a multipronged approach. It renewed arms sales to Taiwan, increased Freedom of Navigation Operations in the South China Sea to contest China's territorial claims, strengthened relations with Japan to counter China in the East China Sea, devised the Indo-Pacific Strategy to counterbalance China on multiple fronts, increased US defence spending, initiated a [trade war](#), and sanctioned the Chinese technology giant, Huawei.

If [the past](#) serves as a guide, the second Trump administration will likely intensify its previous approach to China. A second trade war is certain, featuring more tariffs, decoupling of the economies, and reshoring of supply chains away from China. New sanctions will be announced on Chinese technology companies, alongside measures to restrict China's ability to develop advanced semiconductors.

The US may also provide Taiwan with more arms and support the Philippines in expanding its maritime security capabilities. Although Trump has exhibited tendencies to destabilise the US' relations with its allies, the administration might seek to broaden existing alliances to counter China and enhance bilateral relations with regional powers concerned with China's rise.

The Quicksilver President

However, these assumptions are based on the notion that Trump would respect conventions and remain path dependent. The new US president is widely known as mercurial and highly unpredictable. Free from the constraints of Republican old guards in his second term, Trump 2.0 is likely going to be defined by his unpredictability.

As he works to [install loyalists](#) in key positions to concentrate power, [Trump's cabinet](#) is shaping up to be one of diverse characters, including traditional Republicans, unconventional picks with limited expertise, and influential business magnates. Despite their divergent views on China, their political survival will depend on them catering to Trump's desires, reinforcing further his impulsiveness. Although the fundamentals of US-China relations have not changed, Trump might force significant changes in bilateral ties if he believes such moves to be advantageous to himself.

Therefore, US-China relations could continue to deteriorate, but there is a chance of an improvement. In his inauguration speech, Trump seemed to have [softened his stance](#) toward China, and his wish to [visit the country](#) is a positive sign for bilateral relations. However, besides Trump's personal dynamics, China's approach to the new president also matters. To be on Trump's good side, Chinese officials might appeal to his ego and cultivate relations with China-friendly administration officials. Recently, President Xi made [personal overtures](#) to Trump on several issues, although there is likely to be significant Chinese unwillingness to cater to Trump's preferences constantly.

In sum, the geopolitical rivalry underpinning US-China relations remains unchanged. The relationship is still characterised by [distrust and antagonism](#). The fundamental issues affecting US-China relations and US interests in the security, technology, and economic realms have not shifted.

Nevertheless, Trump has repeatedly made decisions [contrary to the conventional practices](#) of the US government, evident by his [ongoing spats](#) with several US allies. His inconsistencies could easily worsen US-China relations or create unexpected opportunities for improvements. Either way, over the next four years, US policies toward China will be unpredictable, and a roller-coaster ride seems almost inevitable.

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