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The Art of a Deal in a Trump-Xi Summit?

By Warren Fernandez

SYNOPSIS

Much is at stake in a proposed summit between Sino-United States leaders, which could help foster ties and build trust between the two powers. This is critical, not least given the strained relations and the recent imposition of tariffs on Canada, Mexico and China by President Donald Trump. There is also the concerns of a bust-up over Taiwan, plunging the world into a conflict both sides seem eager to avoid. Beijing will be watching Trump's actions, and how others respond, to figure out how to strike a wider deal with him.

COMMENTARY

Amid the Lunar New Year festivities, China's leaders must be busy pondering how to deal with an unexpected and irascible guest threatening to descend on them in Beijing. How to say no, without causing costly offence? And just what might be gained by rolling out the red carpet?

We are referring, of course, to United States President Donald Trump.

According to news reports, he plans to visit China, perhaps within the first 100 days of his new term. This has taken China's leaders by surprise and no dates for such a summit have been set. They, like everyone else, were barely digesting Trump's inaugural address on January 20, in which he proclaimed his messianic mission to make America great again, and realise its "manifest destiny" of being bigger, stronger, and more prosperous than ever before.

The first sign of what might transpire from such a trip came barely two weeks on: an additional 10 per cent levy on all Chinese exports to the US. That's unfriendly and unwelcome, but not quite as bad as the threatened 60 per cent that had been bandied about previously, or the 25 per cent slapped on Canada and Mexico, both of which

responded with trade curbs of their own. Just as suddenly, the following day, Trump called for a 30-day pause on the levies on Canada and Mexico to try to work out a “deal”. Meanwhile, China has also hit back with tariffs of up to 15 per cent on some American goods.

Welcome to the new macho, might-makes-right, mercantilist foreign policy of Trump administration 2.0. This includes US threats to “retake” the Panama Canal, warnings to Danish leaders of a wave of tariffs unless they sell Greenland, and repeated assertions that Canada is better off as an American state.

All of which makes Trump’s declaration that his “proudest legacy” will be as a peacemaker bewildering. “That’s what I want to be – a peacemaker and unifier”, he said, without a hint of irony. “We will measure our success not only by the battles we win but also by the wars we end, and perhaps most importantly, the wars we never get into”.

Eye to Eye With Beijing

To fathom what Trump is really thinking, it is best to keep in mind his “America First” priorities. He is hellbent on fixing what he thinks most ails the country and troubles his electoral base – high levels of illegal immigration and crime, an epidemic of drug abuse, anxieties over the cost of living and jobs, as well as resentment over “wokeism” taken to extremes.

In other words, Trump needs peace abroad – an end to “ridiculous wars” – if only because he has more pressing demands to attend to at home, for now.

In this, he shares a common interest with the man he claims to have a strong bond with across the Pacific. President Xi Jinping too would welcome some peace and stability, while he gets on with the job of making China great again. He too has challenges aplenty – a property market and consumption to boost, and jobs to create, even as his technology and military chiefs race to face-off with competitors abroad.

Beijing’s leaders are said to see in Trump their best hope of striking a deal, especially over Taiwan, their over-riding concern. He is thought to be less keen than his predecessors – and possibly successors – on risking American lives in defence of a far-away Asian island. They also worry about the drift in popular sentiment in Taiwan, especially among younger voters, less open to Beijing’s charm offensives and more wary of a return to its embrace. So, the argument goes, better to seize opportunities to settle this issue than leave it to future generations.

Both sides are eyeing each other. China’s generals have been told to prepare for such a possibility by 2027. On the other side, the new US Secretary of State Marco Rubio declared at his confirmation hearing that given the ramp-up of military capabilities by its “most potent and dangerous near-peer adversary”, the US will have to “deal with this before the end of this decade”.

Art of the Deal

This is ominous talk, which risks becoming self-fulfilling, even if neither Beijing nor

Washington wishes for a conflict. After all, most wars do not start by design. Instead, incidents and accidents happen. Events could spiral beyond control, especially when leaders stoke nationalist sentiments, and allow their rhetoric to run ahead of them.

Given the current backdrop of mutual suspicion, as well as the risks of economic fallout from a spiraling trade war, a G2 meeting between Sino-US leaders would be worthwhile, if only to foster trust.

But could such a summit go beyond, and strike the kind of headline-making geopolitical deal that Trump so relishes? He seems to be in the mood to deal, believing he has a big mandate to reshape America and the world. In his recent video appearance at the World Economic Forum in Davos, he told an awe-struck panel that he would like President Xi to wield his influence over his “no-limits partner” in Moscow to help end the war in Ukraine. While Trump made no mention of North Korea or Iran, perhaps he might seek help there too, assuming these can be swayed by Beijing.

He craves, above all, a greater chunk of China’s markets for American firms and job-creating investments to restore “fairness” to bilateral trade.

His tariff salvo, and the looming threat of more to come, are Trump’s weapons of choice to achieve these ends. His caution with China also suggests that he is not unaware of the impact on his supporters through higher prices of goods. So far, China appears to be keeping its cool, responding to the levies in kind, but leaving room to manoeuvre in talks to come.

What Price Taiwan?

During a call with Xi last month, Trump hinted he was open to a wider deal with China. But at the heart of any such agreement lies the question: What price Taiwan? China will want assurances on this core issue, above all, if it is to make major concessions. A clear US commitment not to back any moves towards independence is its ultimate prize.

Agreeing to this would shock Trump’s colleagues and America’s allies, although that does not seem to be much of a constraint on him if he senses a possibility of appearing to win big. Yet, even if he is inclined to oblige, he will be wary of looking weak in the eyes of his supporters back home, not to mention the hawks, in his administration and in Congress. Leaders in the region will also be watching to gauge how much they can count on him for their own country’s security. Ever eager to have it all ways, Trump is likely to be at his obfuscating best, seeking to make “strategic ambiguity” more strategic and ambiguous than ever before.

Summits have been known to go off-script. Both Trump and Xi are leaders out to rewrite the prevailing global rules and right old wrongs. So, no doubt, Beijing will be bracing to face the self-styled champion of the “art of the deal”. What it might glean from recent events is that Trump is no believer in speaking softly and carrying a big stick, as President Theodore Roosevelt advised. His approach might be characterised instead as “shouting the loudest and frequently using his big stick”, as my esteemed erstwhile colleague Jonathan Eyal put it in these pages recently. I would go further, to suggest that his strategy is to claim offence and protest loudly, waving the stick wildly

at friend and foe, while quietly hoping that by doing so, he will not actually have to use it.

Yet, bluster, bluff and bullying will only get you so far, especially against a near-peer rival such as China, which is hardly likely to be impressed by Trump's rhetorical prancing and dancing. Besides, Beijing is capable of springing surprises of its own, which could counter his grand plans. So, given the high stakes of a summit, and Trump's penchant for being unpredictable, anything could happen. But perhaps the outcome that is most likely – or least disruptive to the region and the world – might be a public spectacle of pledges to engage further, regardless of private differences, with much look-him-in the-eye handshakes before the cameras. Media-friendly form over substance, just as we saw during the Trump-Kim meeting in Singapore.

Yet, beyond this meeting, if Trump truly aspires to succeed at being remembered as a peacemaker and unifier, he will have to come to the realisation that he needs to work at winning friends and influencing people, including his peers and their citizens abroad, to gain support beyond his cheering electoral base at home. However great it might be, or strive to become, the US cannot address the world's many challenges alone, and certainly not on the wit or will of one man. History is a tough judge. Leaders and their legacies are measured not so much by what they say – however often or forcefully – but by what they do and manage to achieve. They might be skillful at shaping media narratives to brandish their image or project power in the short term. But ultimately, they mostly learn that wishful thinking cannot make things so, and greatness is not attained by assertion.

Warren Fernandez is a Senior Fellow in the Executive Deputy Chairman's Office at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore, and a former Editor-in-Chief of SPH Media Trust's English, Malay and Tamil Media Group. This is an updated commentary first published in The Straits Times on 4 February 2025. It is republished with permission.

S. Rajaratnam School of International Studies, NTU Singapore
Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798