

## Trade Truce Diplomacy: Trump and Xi Move to Freeze Economic War - Sri Lanka Guardian

13 Feb 2026 08:10:46 AM

The United States and China are preparing to prolong their fragile trade ceasefire, as President Donald Trump and President Xi Jinping are expected to meet in Beijing for a high-stakes summit aimed at locking in short-term economic gains while managing long-term geopolitical friction. Officials on both sides see the proposed extension of the truce, potentially lasting up to a year, as a pragmatic step to stabilise relations that have been rattled by tariffs, export controls, and mutual suspicion.

The anticipated meeting, expected in early April, follows months of quiet diplomacy after the two leaders reached a temporary understanding last October during talks in Busan, South Korea. That agreement rolled back punitive trade measures imposed during a period of intense escalation that saw both countries levy retaliatory tariffs exceeding 100 percent and China sharply curtail purchases of key American agricultural products.

Since the Busan reprieve, Beijing has resumed buying US soybeans, a politically symbolic commodity whose export markets are closely watched in rural American states. The resumption of agricultural trade has offered an early sign that both governments are willing to prioritise economic predictability, even as competition continues in technology, security, and regional influence. According to reporting by the South China Morning Post, extending this informal arrangement is seen by negotiators as one of the most achievable outcomes of the upcoming summit.

For Trump, the timing carries clear domestic political implications. With midterm elections approaching in November, the administration is seeking tangible economic deliverables that can be presented to voters as evidence of effective deal-making. Additional Chinese purchase commitments, particularly in agriculture and energy, are expected to feature prominently in any joint announcements.

Trump has indicated publicly that Beijing is considering further soybean imports, reinforcing the idea that trade concessions could form the centrepiece of the visit. The president, who has long portrayed himself as a transactional negotiator, is said to be exploring agreements in sectors such as automobiles and energy, with advisers pointing to the recently concluded TikTok arrangement as a possible template for balancing national security concerns with commercial cooperation.

The visit itself is still being finalised, with late March or early April dates under discussion. Chinese officials must also account for the Qingming Festival, a traditional tomb-sweeping holiday that falls on April 5, complicating scheduling for a state-level gathering of this magnitude. Despite the logistical considerations, multiple sources on both sides expect the summit window to be confirmed.

Unlike earlier presidential trips to China, no large delegation of American chief executives is expected to accompany Trump. The administration has remained cautious about appearing to encourage US corporate investment in China, reflecting its broader 'America First' approach and an emphasis on reshoring supply chains. Instead, the focus is likely to remain on government-to-government arrangements designed to reduce friction without signalling a return to full economic integration.

Chinese officials have struck a measured tone in advance of the talks. Ambassador Xie Feng, speaking in Washington at a Lunar New Year reception, described bilateral ties as having reached what he called an 'overall dynamic stability' despite the turbulence of the past year. He called for expanded cooperation in agriculture, energy, and emerging sectors such as artificial intelligence and biomedicine, while urging both countries to avoid viewing their relationship through a zero-sum lens.

At the same time, Beijing has reiterated its firm stance on Taiwan, which it continues to describe as a non-negotiable red line. Chinese leaders view the self-governed island as part of their territory and have warned

that increased US arms sales risk undermining trust. American policy remains deliberately ambiguous, recognising neither Taiwan's independence nor Beijing's sovereignty over it, while continuing to supply defensive weapons. This unresolved question looms as the most sensitive flashpoint in an otherwise economically focused dialogue.

Recent preparatory meetings suggest both governments are trying to insulate trade cooperation from strategic disputes. A delegation of senior US Treasury officials travelled to Beijing to reinforce communication channels, part of an effort to prevent misunderstandings that could derail negotiations. Treasury Secretary Scott Bessent later described the relationship as 'stable but competitive,' emphasising that Washington's goal was de-risking rather than full economic decoupling.

That distinction has become central to the evolving US approach toward China. Rather than severing ties outright, policymakers are seeking to reduce dependence in critical areas such as semiconductors, rare earth minerals, and advanced manufacturing while preserving mutually beneficial commerce. China, for its part, continues to push back against restrictions on technology access even as it signals openness to trade-driven confidence building.

The economic stakes remain enormous. China's persistent trade surplus with the United States, which American officials estimate at roughly US\$1 trillion, has become a recurring point of contention in negotiations. Washington argues that structural imbalances must be addressed, while Beijing insists that its development model and global supply chain role should not be treated as unfair practices.

Against this backdrop, the planned summit represents less a breakthrough than a pause in confrontation. Analysts say both sides recognise that prolonged economic warfare would carry heavy domestic costs at a time when growth concerns are mounting globally. Extending the truce offers breathing room for policymakers while allowing each government to claim incremental victories.

Yet the cautious optimism surrounding the meeting is tempered by the knowledge that underlying rivalry has not diminished. Military competition in the Indo-Pacific, technological decoupling, and ideological mistrust continue to shape the broader relationship. Even as soybeans and energy contracts re-enter the conversation, disputes over export controls, data security, and regional alliances remain unresolved.

The expected Trump-Xi encounter, therefore, is likely to be defined by calibrated symbolism as much as substantive agreements. A carefully choreographed visit, modest economic deals, and an extended tariff freeze could project an image of stability without fundamentally altering the trajectory of strategic competition.

In that sense, the summit reflects a new phase in US-China relations, one marked not by sweeping rapprochement or open hostility, but by managed coexistence. The challenge for both leaders will be sustaining that balance, delivering economic reassurance to their domestic audiences while preventing geopolitical tensions from overwhelming fragile cooperation.

Copyright (c) 2026 Sri Lanka Guardian

urn:newsml:newsroom.refinitiv.com:20260213:nNRAzh4e9:0

Copyright © 2026 London Stock Exchange Group plc and its group of companies (LSEG) and/or its affiliates. All rights reserved. The LSEG content received through this service is the intellectual property of LSEG or its third party suppliers. Republication or redistribution of content provided by LSEG is expressly prohibited without the prior written consent of LSEG, except where permitted by the terms of the relevant LSEG service agreement. Neither LSEG nor its third party suppliers shall be liable for any errors, omissions or delays in content, or for any actions taken in reliance thereon. LSEG and its logo are trademarks of LSEG.