A Deal to Drag-On: The Xi–Trump Summit and China's Perpetual Preliminary

Brigadier Vivek Verma, PhD (Retd) and Mehak Jolly

Introduction

On 14-15 May 2026, Presidents Donald Trump and Xi Jinping met in Beijing for the first United States (US) presidential visit to China since 2017. The visit, originally set for late Mar this year, was postponed by Washington amid its war with Iran and reset to mid-May. Washington felt that it will engage with Beijing with war in Iran wrapped up. But the warped situation left Washington with limited choice to produce a result.

The summit was framed around 4Ts: trade, technology, Taiwan, and the truce in the Middle East. Washington arrived in Beijing managing both an ongoing trade dispute and an active energy crisis. A CNN analysis noted that Trump left China "Short on deliverables but with signs of a stabilised relationship".[1] The framing did not address why the absence of deliverables served as a victory. However, the Sep summit in Washington showed why.[2] The 'Board of Trade' and the 'Board of Investment', set up in Beijing, were put to work, but the Section 301 tariffs, rare-earth controls, and semiconductor limits were carried into the next round, rather than being settled at the time.

Perpetual Preliminary

During the May 2026 summit, President Xi posed the question, "Can China and the US transcend the 'Thucydides Trap' and forge a new paradigm for major power relations"?[3] His remarks positioned China as a power capable of moving beyond the rivalry. The approach adopted by Beijing is that of 'Perpetual Preliminary': a negotiating posture wherein deliberate ambiguity is designed to preserve leverage through managed engagement rather than resolution. While Washington was looking for closing the deal, Beijing aimed to keep the negotiation open. Two new bodies—the Board of Trade and the Board of Investment—were established to manage future commercial disputes. However, the hardest questions regarding non-tariff barriers, rare-earth licensing, and semiconductor thresholds were passed to these new bodies instead. Closing the deal would have tied Beijing down; leaving it open tied down only Washington.

This was only half of the strategy. At the May 2026 grouping of Brazil–Russia–India–China–South Africa (BRICS) ministerial meetings in New Delhi, Beijing accelerated the pilot framework for BRICS Pay, the bloc's cross-border settlement system, as an alternative to Society for Worldwide Interbank Financial Telecommunication (SWIFT). This indicates that while the US was tied up in preliminary talks, China was building a financial architecture to undermine American economic leverage. Rather than opting for a structured de-dollarisation, this reflects China's preliminary posture through payment networks. Stagnation on the bilateral front was countered with a multilateral opening.

The Selective Agenda

The perpetual preliminary is most visible in the asymmetry of what the two sides chose to record. Thomas Schelling's 'Classic Bargaining Theory' argued that the power to bind oneself and make a credible commitment is the core bargaining asset.[4] Yet, Beijing's posture at the summit demonstrated the opposite: it gained the most by keeping every commitment off the record.

In May, President Xi warned that mishandling Taiwan would fundamentally fracture bilateral relations. While Beijing's readout led with this warning, the White House statement omitted Taiwan entirely. With regards to the Strait of Hormuz, Washington claimed Trump secured Xi's pledge to not arm Tehran and not to close the strait. However, neither commitment appeared in Beijing's readout. China secured its core strategic outcomes of reaffirming Taiwan as a red line and keeping the global energy corridors open, without committing to anything in return.[5]

James Fearon's concept of 'Audience Costs' explains the structural disparity favouring China, while making Washington more dependent on visible deliverables.[6] Beijing faces no such penalty, keeping its position ambiguous. A Brookings Institution analysis describes this as a "Strategic restraint trap", in which Washington's transparency becomes the liability and its need for a visible outcome is traded for leverage that lasts.

The Sep 2026 Washington summit demonstrated this pattern even more clearly. Under pressure to show progress ahead of the mid-term elections, Washington secured a '30-for-30' framework, with reciprocal tariff reductions on approximately USD 30 bn in non-sensitive goods.[7] The control on rare-earth minerals that Washington wanted removed stayed in its place; the one-year suspension agreed at Busan was extended to 10 Jan 2027 rather than resolved. Moreover, the commitment to return shipments to 'Appropriate Levels' fell short of removing export licensing. China's control of the supply chain was unchanged.[8]

The Road to Miami

There are three upcoming strategic events in quick succession—the US mid-term elections on 03 Nov, the Asia-Pacific Economic Cooperation (APEC) summit scheduled for 18-19 Nov, and the G20 Miami Summit scheduled for 14-15 Dec.

The APEC Summit, two weeks post the mid-terms, gives Beijing its first advantage. With China hosting the leaders' meeting in Shenzhen in Nov, Beijing can make selective concessions to Asia-Pacific economies while Washington stays consumed by the tariff dispute. Hosting puts Beijing in the chair rather than the queue. It sets the agenda and the priorities it has named for its 'China Year', regional artificial intelligence cooperation and the Free Trade Area of the Asia Pacific.

The order of the three dates favours Beijing. The mid-terms on 03 Nov settle the political balance in Washington. Two weeks later, the APEC Summit gives Beijing a regional stage to work while Washington continues to work through the bilateral

dispute. By the time both powers meet in Miami in Dec, Beijing will have more time to assess than the Washington manoeuvres post-mid-terms.

Conclusion: The Dragon at Play or a Deal to Drag-On?

Beijing's invocation of 'Thucydides Trap' in May 2026 was not a warning of conflict, but a way of placing itself within the power framework that had already arrived. As the deal drags on from Beijing to Washington to Miami, it will be interesting to watch the Dragon's position on rare-earth deadline of 10 Jan 2027. The Board of Trade and Board of Investment are the perpetual preliminary in institutional form, with two bodies carrying undefined mandates through which Beijing can run every future negotiation at its own pace.

The game people play is the game nations play. On 07 May, Xi was in Moscow, standing beside Russian President Vladimir Putin at the Victory Day parade. On 14 May, he was receiving Trump at the Great Hall of the People. On 20 May, Putin returned to China.[9] Two leaders on opposite sides of the current standoff came to Beijing within a fortnight, and neither left owing the other anything. President Trump came for optics, while President Putin came for reassurance. Xi gave each what they needed and conceded nothing of consequence. Hence, the perpetual preliminary is not a stage in the negotiation; it is the negotiation itself.

Endnotes

[1] Betsy Klein, Simone McCarthy, Kristen Holmes, "Trump Leaves China Short on Deliverables but with Signs of a Stabilised Relationship", *CNN*, 15 May 2026, accessed 28 Oct 2026, https://www.cnn.com/2026/05/15/politics/takeaways-trump-china-visit-xi-intl-hnk

[2] REE, "China and United States Extend Trade Truce as Rare-Earth Supply Dispute Remains Unresolved", *Rare Earth Exchanges*, 28 Sep 2026, accessed 28 Oct 2026, https://rareearthexchanges.com/news/china-us-rare-earth-export-controls/.

[3] Kate Lamb, "What is the Thucydides Trap and Why Did Xi Jinping Mention It in His Meeting with Trump?", *The Irish Times*, 15 May 2026, accessed 28 Oct 2026, https://www.irishtimes.com/world/asia-pacific/2026/05/15/what-is-the-thucydides-trap-and-why-did-xi-jinping-mention-it-in-his-meeting-donald-trump/

[4] Thomas C Schelling, *The Strategy of Conflict* (Cambridge, MA: Harvard University Press, 1960).

[5] Edgard D Kagan et al., "Takeaways from the Trump-Xi White House Summit", *Center for Strategic and International Studies*, Sep 2026, accessed 28 Oct 2026, https://www.csis.org/analysis/takeaways-trump-xi-white-house-summit

[6] James D Fearon, "Domestic Political Audiences and the Escalation of International Disputes", *American Political Science Review* 88, no. 3 (1994): 577–92, accessed 28 Oct 2026, https://www.cambridge.org/core/journals/american-political-science-review/article/abs/domestic-political-audiences-and-the-escalation-of-international-disputes/D22E7DE87C4CFBC436AAB3CFE7505962

[7] Ibid.

[8] Opcit. 2., REE, "China and United States Extend Trade Truce".

[9] Paul Poast, "Xi Is Getting the Thucydides Trap All Wrong", *World Politics Review*, May 2026, accessed 28 Oct 2026, https://www.worldpoliticsreview.com/china-russia-thucydides-trap-xi-putin/

About the Authors

Brigadier Vivek Verma, PhD (Retd) is a Senior Research Fellow at the Centre for Emerging Technologies for Atma Nirbhar Bharat (CETANB), United Service Institution of India (USI). He is the author of the book, *Non-Contact Warfare: An Appraisal of China's Military Capabilities*.

Mehak Jolly is a Research Assistant at CETANB, USI. She holds an MA in International Relations from King’s College London.