

After the U.S.-China Summit

by George Friedman - May 18, 2026

The summit between presidents Xi Jinping and Donald Trump took place on May 14. The media has focused on the facts that little was achieved and, especially, that Xi insisted China regain Taiwan as part of China. Both of these statements are true, but the most important things that many in the media have downplayed are that the summit did take place and the things that were said there. This is the rare case in geopolitics where words might matter a great deal. In general, summits are not where detailed agreements are made. This is especially so with last week's summit because it featured two countries that are major powers and have had hostile relations for 77 years. A summit of this nature is where countries and leaders reach an understanding in principle, with the details to be worked out in due course.

The most important statement was made by Xi, **who said the following**:

“Honorable President Donald J. Trump, ladies and gentlemen, friends, looking back at the cause of China-U.S. relations, whether or not we could have mutual respect, peaceful coexistence and win-win cooperation is the key to whether the relationship can advance steadily. The world today is changing and turbulent. China-U.S. relations concern the well-being of over 1.7 billion people of both countries and affect the interests of the over 8 billion people of the world. Both sides should rise up to this historic responsibility and steer the giant ship of China-U.S. relations forward steadily and in the right direction.”

The reason I take this statement seriously is that it's a repudiation of governing principles that have been in place since communism took control of China: that capitalism would inevitably fail, and communism would ultimately triumph globally. It would triumph through revolutions as it did in China, according to Mao Zedong, with the aid or participation of nations that had already achieved the global proletarian revolution. In China, this ideal is as fundamental as the Declaration of Independence is in the United States. It is taught in all schools as a moral principle, with shameful deviation possible from some but in the end always respected as a historical and moral principle. This meant that the capitalist U.S. and communist China would always in principle be adversaries. The Soviet Union, for example, never abandoned that principle, even as it allied with the U.S. and England during World War II.

Xi's speech, then, in tone and substance was a refutation of the principles on which Maoist China was founded. Who it was said to is even more important. In this, I do not mean Trump; I mean the Chinese nation, which heard or read it in full. China had begun to deviate from its fundamental principles toward the end of the 20th century. It has now evolved into not a liberal democracy but a definitively capitalist state, its economy built on private enterprise, encouraged and to some extent guided by the government and its policies.

In other words, equality – even in poverty – has not been a foundational principle in China for decades, and the hostility toward capitalist nations has declined over time. China's economic evolution was based on its private sector, as Xi had acknowledged in the past, but it was also built on exports, in particular to the United States. Exports were essential because while Chinese production surged, China's vast population was not wealthy enough to absorb what it produced. The U.S. was and remains vital to China's economic growth. And for years, China never abandoned its posture of military hostility to the U.S., even when its emerging capitalist system prospered from U.S. consumerism.

In his speech, Xi mentioned Thucydides, an ancient Greek geopolitical thinker who said that when a powerful nation is faced with an emerging power, the result is always war. Xi said he hoped this would not be the case with the U.S. and that they would find a way toward collaboration. This may be a cover for his own intentions; China has nothing to gain in waging war with the U.S. and much to lose. I find it telling that Thucydides was mentioned but that Marx, Lenin and Mao were not. Ideology was absent. In its place was geopolitical necessity. The Chinese public heard this necessity loud and clear: China needs access to the U.S. economy, indicating Xi thinks the U.S. needs that as well.

Then, of course, Xi demanded that Taiwan be Chinese. In part, this was a signal to show the Chinese people that their government is powerful and not acting from weakness. In issuing this demand, he made it clear that this is an entente between equals. Whether Xi needs Taiwan more than he needs exports and collaboration with American industries is something he did not reveal. Still, Trump sought to entice him and showed his own thoughts on the matter, as evidenced by the entourage of executives he brought with him to Beijing. The more important takeaway from the demand is that there is a growing number of its citizens, possibly at this point a majority, wishing Taiwan to be part of China, if it is treated as an autonomous region, primarily in an economic sense. China needs the U.S. to buy more exports than it needs Taiwan, but it is clear that Trump would be amenable to some sort of reunification or at least willing to allow the Taiwanese to choose.

Ultimately, the prospect of economically collaborating with the U.S. could only be achieved by a geopolitical accommodation. Given Russian President Vladimir Putin's upcoming trip this week to meet with Xi, and Xi's willingness to meet with him, Xi is signaling that China has other options. But in truth, the opportunity to align with the U.S. is far more attractive to Xi than is a better relationship with Russia. As a bargaining tool, it makes sense, but in negotiations, necessity trumps all else.

China has not done anything significant to help the Russians in Ukraine. In fact, after the U.S.-China summit, Chinese Foreign Minister Wang Yi said China and the U.S. support the earliest possible end to the war in Ukraine and are ready to play a "constructive role" in a peace settlement. The Chinese also indicated that the Iran war should end, the Strait of Hormuz and maritime trade routes should reopen, and major powers should cooperate rather than confront one another. This could possibly indicate a principle of cooperation with the United States in negotiating the details on that basis. There will certainly be disagreements between China and the United States but not so profound as to render the two countries enemies.

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