

The Significance of the Trump-Putin Talks

by George Friedman - May 4, 2026

Presidents Donald Trump and Vladimir Putin held a 90-minute telephone conversation on April 29 – notably, at Putin’s behest. Past conversations of this kind tended to be initiated by Trump, who was more eager to speak to Putin than Putin was to speak to him. That doesn’t mean he didn’t want to talk to Trump; it just means he likely didn’t want to come off as enthusiastic.

Many news agencies have since reported that the presidents discussed the situation in Iran and a resolution to the war in Ukraine. Putin offered – and Trump accepted – a temporary ceasefire that is slated to take place around May 9, though they agreed to no lasting resolution. This is important, of course, but they discussed Ukraine many times before to no avail.

What’s more interesting is that Putin apparently wanted to discuss future economic relations with the United States. When discussing U.S.-Russia ties, “both leaders pointed to the great potential of mutually beneficial cooperation in the economic and energy spheres,” according to Russian Presidential aide Yury Ushakov. Ushakov added that officials on both sides have said talks to that end on a number of large-scale projects have already begun.

Trump has previously offered economic cooperation to end the war, and Putin presumably declined. So Ushakov’s statement seems to indicate that work might already be underway.

The question, then, is: Why did Putin want to talk now, and why did he want to talk about economic relations? Assuming reports to that effect are accurate, it seems a significant step, given that Trump had based these relations on a resolution to the war.

The answer is that the Russian economy has deteriorated dramatically. Growth has slowed, and reports of labor shortages have increased. Most interesting and perhaps important is that the Russian government is now offering assets for sale, including real estate and even iconic sites. With the Russian economy slowing, it seems rational to try to increase the money supply to fund the war. It would be unwise to simply print money, considering it would lead to worse inflation.

The situation is becoming harder to ignore. Russian media is openly reporting on economic problems, and public sentiment is starting to decline even more than it already had. (To be clear, the media is not just a spokesperson for the state, but it has not been this negative until now.)

Prior to the war, there was a sense in Russia of an economic evolution. The fundamental problem is that the war is in its fifth year, and large amounts of capital have been diverted to fund it. It is clear that the war, along with sanctions placed on Russia by the West, is now significantly affecting the economy – costing Russia a great deal not only in lives but also in economic well-being. Given that Russia is fighting a war of choice, public sentiment appears to be shifting. Putin now claims publicly that the war is progressing well and that Russian troops are advancing. Presidents of countries at war tend to declare that wars are being won, even when they aren't.

This at least partly explains the phone call, including Putin's offer of a very short ceasefire. The last thing that he can afford is to appear desperate in opening negotiations, especially in light of declining public opinion and morale among the rank and file.

There is another factor that might be behind his call. In spite of the war in Iran, the U.S.-China relationship seems to be evolving well, with senior U.S. and Chinese officials meeting last week and no indication that the Xi-Trump summit will not be held sometime in May. If the summit is successful, and if an economic understanding is reached and military tensions are reduced, Russia will be in a position it has not been in since 1945. Russia will be not only economically weaker than the two major economic powers but also weak relative to Europe. More important, if the U.S. and China ease military tensions, China will be another nation on Russia's frontier that is potentially hostile to it. After all, they are historically adversarial, and were especially so under Mao. China has avoided involving itself too much in the Ukraine war, and it has laid claim to Russian territory in the east. (Though it has taken no action on this assertion, the claim itself must be of Russian concern.)

Russia's having problematic relations with the U.S., China and Europe makes the Ukraine question far less important. It invaded Ukraine to create a buffer between the Russian heartland and Europe – that is, to its west. If China were to turn its attention to Russia, Moscow would face another challenge from the south. Given that the U.S.-China summit in May is still on the table, Russia's mission in Ukraine becomes strategically less significant.

For the moment, Russia may have a valuable bargaining chip: oil. It is a major oil producer and exporter. In light of the energy crisis caused by the war in Iran, it now has something to offer. If rebuffed, Russia has the option of increasing the delivery of weapons to Iran. At the moment, there would be value for Trump in negotiating a settlement on Ukraine, given international and domestic responses to the war in Iran. It might give him more room to maneuver on the Iran situation.

This would certainly encourage Putin to make a no-cost call to Trump, not only opening the door for economic relief but possibly easing the pressure on Trump in Iran. It could put Putin in a position to

get better terms on a settlement to a war that he must end anyway.

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