

Weekly China Insight

Beijing, 28 September 2026

Xi's US state visit special edition

US and China agreed to tariff cuts and new trade mechanisms following Xi's state visit

On 23–25 September, Chinese President Xi Jinping made his first visit to Washington in 11 years. Upon Xi's return to China on 28 September, China and the US released a package of economic and commercial agreements, including reciprocal tariff reductions covering around USD 30 billion of goods in each direction, new institutional mechanisms for trade and investment, expanded agricultural cooperation, and an extension of an existing trade truce. The two sides also agreed on increased Chinese purchases of US coal and continued discussions on financial services, direct flights, and artificial intelligence.

Under the “USD 30 billion for USD 30 billion” reciprocal tariff arrangement, each side will provide more favorable tariff treatment for approximately USD 30 billion of imports from the other, based on 2024 bilateral trade values. The US list covers around USD 30 billion of Chinese exports including toys, household appliances, baby products, kitchen and bathroom goods, and holiday products, while China will lower tariffs on a similar value of US agricultural products, personal-care goods, medical devices, and coal. Notably, China agreed to include US coal within the reciprocal tariff-reduction framework, with the White House stating that China will import at least 10 million metric tons of US coal in both 2027 and 2028.

The two governments also agreed to extend the joint trade arrangement reached in Kuala Lumpur in October 2025. Tariff and non-tariff measures that had been suspended until 10 November 2026 will now remain suspended until 10 January 2027 while negotiations continue.

The relatively limited USD 30 billion scope of the tariff package, the short extension of the broader trade truce, and an absence of a breakthrough on rare earths issues show that the agreements are primarily stabilizing measures rather than a comprehensive settlement of bilateral economic tensions.

Xi-Trump summit establishes new framework for managing US-China competition

On 25 September during the final day of Xi's three-day state visit, Xi Jinping and Donald Trump agreed to frame bilateral ties as a “constructive relationship of strategic stability on the basis of respect, fairness, and reciprocity”, adding three principles to the formulation established during Trump's visit to China in May. This agreement was presented by Beijing as the summit's most important political outcome. Significantly, the White House used essentially the same formulation, saying the two countries had agreed to build such a relationship as part of efforts to foster “peace and prosperity” and strengthen confidence among businesses and consumers globally.

The formulation builds on the “constructive strategic stability relationship” established during the leaders’ May meeting in Beijing. The addition of “respect, fairness and reciprocity” gives the framework a more explicit set of principles for how Washington and Beijing intend to manage a relationship in which competition and disagreements remain.

The convergence in official language by both sides is notable. The revised formulation represents an attempt to move US-China relations away from managing individual crises towards establishing a broader framework for sustained competition. Its significance will ultimately depend on whether Washington and Beijing interpret “respect, fairness, and reciprocity” similarly when concrete disputes arise.

US and China expand cooperation but divergent summit readouts reveal persistent differences

The official readouts from both sides that emerged from President Xi Jinping’s state visit extend beyond trade into artificial intelligence, law enforcement, military communication, people-to-people exchanges, and preparations for further leader-level diplomacy. The Chinese and US readouts showed substantial overlap on the core agreements, including the new framing of bilateral relations around “respect, fairness, and reciprocity”, AI dialogue, cooperation against illicit drugs, reciprocal support for upcoming APEC and G20 summits, and the arrival of two new giant pandas in the US. However, differences in what each government chose to emphasize and omit underline continuing disagreements over security, Taiwan, critical minerals, and the broader strategic balance.

Taiwan was absent from both readouts, although Wang subsequently confirmed that Xi raised the issue and urged Washington to oppose Taiwanese independence and handle Taiwan issues cautiously. Conversely, the White House included several US priorities absent from Beijing’s eight-point statement, including Trump’s call for trilateral US-Russia-China arms-control negotiations, the US military’s role in maintaining a free and open Indo-Pacific, and his request that China increase refined petroleum production.

The overlap between the two readouts suggests greater capacity to manage disputes going forward, while the omissions on each side show that strategic accommodation remains selective rather than comprehensive.

Xi’s Washington state visit puts personal diplomacy and symbolism on full display

During his three-day state visit to Washington, Chinese president Xi Jinping received an elaborate welcome from US President Donald Trump that was heavy on ceremony, personal warmth, and historical symbolism. President Trump and first lady Melania Trump personally greeted Xi and the Chinese first lady Peng Liyuan upon their arrival at Joint Base Andrews on 23 September. From there, Xi’s state visit included a White House military welcome, a formal state dinner, a tea session with the two first ladies, and a joint tour of the National Archives. Throughout the three-day visit, Trump’s public language was notably positive. He called Xi’s trip a “great visit”, described Xi as a “good friend” with whom he maintained close communication. Xi explicitly praised the effort Trump and Melania had put into the visit, saying the “special arrangements” and attention to detail had made the Chinese delegation feel at home. Xi also paired Trump’s “Make America Great Again”

agenda with China's pursuit of national rejuvenation, arguing that the two ambitions could "mutually contribute to each other's success."

Xi's three-day visit encompassed nearly every element of state-visit diplomacy. The warmth on public display during Xi's state visit did not erase the major disagreements between Washington and Beijing, but it was central to the optics. Both governments were presenting direct presidential engagement as the mechanism through which future competition and tension could be managed.