

**SINO-AMERICAN RELATIONS
UNDER TRUMP:
THE HONEYMOON**

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Executive Summary

1. Under Donald Trump and Xi Jinping, the foreign policy objectives of the two countries are contradictory in the long term and aiming for different world orders. Both are very nationalistic and China's ambitions intersect the American sphere of interests.
2. However the two countries have a long history of cooperation when necessary; at the outset of the Trump administration the United States was faced with an urgent threat for which Chinese cooperation was necessary.
3. During the 2016 American presidential campaign, Trump raised two contentious issues with China: the issue of imbalanced trade, increasingly acute from the US perspective since 2001; and the security issue, notably, the North Korean nuclear threat and China's redefinition of the territorial status quo in the East and South China Seas.
4. No sooner had Trump won the election in a stunning upset, the two hastened to arrange a meeting, despite Trump's heavy criticism of China during the campaign.
5. For Xi, the haste was because Trump had made serious threats that would adversely affect Chinese economic stability, which is crucial especially on the eve of the 19th National Party Congress; Japanese Prime Minister Abe's preelection trip to meet Trump and a longer golfing visit after inauguration had inspired competitive instinct.
6. For Trump, he found he had less political leverage to carry out his trade threats than he thought; he could not use Taiwan because Taiwan did not want to be in play and he needed China to deal with the North Korean threat.
7. In April 2017, Xi and Trump had a summit meeting at Mar-a-Lago in Florida where they established a warm personal relationship. The two set up a negotiating forum to deal with both trade and security issues within the following 100 days.

8. The trade issue resulted in an “early harvest” trade offer from Beijing making some industry-specific concessions, including the resumption of American beef sales in China and a promise to grant limited US access to some financial services sectors in return for the import of Chinese cooked poultry.
9. The two also agreed to work together to persuade North Korea to give up nuclear weapons using pressure and negotiations. There is no record that China’s claims in the East and South China Seas were discussed at the “Citrus Summit”. Trump prioritised the Korean nuclear issue and indicated he would make more concessions on trade and other contentious issues if China could help resolve this.
10. In the ensuing weeks, the two countries tightened existing trade sanctions on North Korea and threatened more. None of this had any visible effect on the North, which continued to test larger and longer-range missiles.
11. While Trump continued to attest his warm personal regard for Xi Jinping, he became increasingly impatient with the lack of progress on the North Korean problem. By late August 2017, it seems that the early Sino-American honeymoon had hit strong headwinds.