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Xi wants to avoid a onesided deal like the one struck in early 2020.

China Trade Tactic: Talk—Unyieldingly

BY LINGLING WEI

With trade negotiations between China and the U.S. showing little progress, Beijing is taking a new stance: Keep talking, but yield little.

That position was illustrated by the recent visit to Washington by Li Chenggang, a member of Beijing's negotiating team. According to people familiar with the situation, he didn't come at the request of the U.S. government. Li didn't meet with administration officials directly involved in top-level negotiations with China. He instead met with deputy-level officials at the Treasury Department, the Commerce Department and the U.S. trade representative's office, where he largely repeated Beijing's long-held positions.

The trip signaled a new mandate from Chinese leader Xi Jinping: By seeking to engage with the Trump administration while making few concessions, Beijing is trying to hold itself up as a responsible party at a time of intensifying great-power competition.

The result is a delicate detente— but one that isn't likely to produce a trade deal soon.

Just in the past couple of weeks, Xi rolled out the red carpet for leaders from Russia, India, North Korea and other developing nations, touting China as the leader of a new, multilatera l world order that is a contrast with President Trump's America-first foreign policy.

In Washington, Li repeated Beijing's demands that the U.S. remove tariffs on Chinese goods and ease U.S. restrictions on the export of American tech products, but he offered little of substance in return, the people said.

"The meetings were not productive," said one person familiar with Li's visit.

Li's visit came on the heels of remarks by the Chinese ambassador to the U.S. that were critical of Washington. Speaking to a U.S. soybean-industry event on Aug. 22, Xie Feng, the Chinese envoy, said U.S. protectionism was "casting a shadow over China-U.S. agricultural cooperation."

Last month, Washington and Beijing extended a pause on higher tariffs through early November, after agreeing to roll back tit-for-tat tariffs and ease export restrictions on key goods, including rare-earth magnets from China, critical for many industrial products, and certain technology products from the U.S.

Now, the two sides are at an impasse over the U.S. request for China to crack down on the flow of the chemicals used to make fentanyl. Beijing won't act until the administration removes the 20% tariffs it has placed on Chinese imports as punishment for China's role in the fentanyl trade, according to the people.

Moreover, Trump's call for China to significantly increase its purchases of American soybeans has so far gone unanswered. U.S. officials say that over the past 18 months, China has, been deliberately slashing imports of U.S. agricultural products.

White House spokesman Kush Desai said, "the administration continues to press our trading partners using the power of the American economy, the world's best and biggest consumer market, to level the playing field for American industries and workers."

China's Commerce Ministry said Li called on both sides to "make good use" of regular dialogue to manage differences and expand cooperation. People close to Chinese officials say a main purpose for Li's trip was to understand the full spectrum of U.S. demands. Another reason for Beijing's outreach is economic. With a collapse of its property market and sluggish consumption at home, Chinese negotiators are aiming to prevent the administration from raising tariffs and tightening export controls on China.

Note

Xi wants to avoid a onesided deal like the one Beijing struck with the first Trump administration in early 2020, The Wall Street Journal has reported. It required China to significantly increase purchases from the U.S., which had to do very little in return.

While the Trump administration also has de-escalated tensions with Beijing, it is simultaneously pursuing trade agreements with other nations that concern China— specifically, by countering transshipment, the practice of Chinese companies' using countries like Vietnam to circumvent U.S. tariffs.

In a Fox News interview last month, Treasury Secretary Scott Bessent said "we're very happy" with the situation with China. "I think right now the status quo is working pretty well," he said, referring to current tariff levels on China.

Bessent's remarks suggest a continued detente, potentially creating an opening for a summit between Trump and Xi.

