



China Assesses the Start of Trump's Second Term as Optimistic

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The Chinese authorities are adapting to the chaotic policies of the first months of Donald Trump's second term as U.S. president and believe that they are conducive to their interests. They view the internal actions of the Trump administration as confirmation of a deepening socio-political destabilisation of the United States, and the trade and political disputes with partners as conducive to the development of cooperation with China. As a result, it is downplaying a strengthening of EU-U.S. cooperation as a possible threat to its interests.

The rivalry with the U.S. determines China's foreign policy objectives. This applies to the latter's efforts to [bring about change within the international community](#), control the South China Sea and [Taiwan](#), and plans to achieve [global economic and technological primacy](#). After Trump's victory in November 2024, the Chinese authorities [were confident](#) that they would be able to manage relations with the new US administration effectively. However, this proved difficult, partly due to the unexpected and drastic increase in U.S. tariffs [since February this year](#). The first official contacts took place in May through trade negotiations in [Geneva](#) (and continued in June in London and July in Stockholm), followed by a telephone call between Xi and Trump on 5 June and a meeting on 11 July between the heads of diplomacy of both countries, Wang Yi and Marco Rubio, on the margins of the ASEAN summit in Kuala Lumpur. Preparations for the Xi-Trump meeting, which could take place in September in Beijing as part of the celebrations of the 80th anniversary of the end of World War II in the Pacific, also serve to China as a test of the effectiveness of its demands and the U.S. response.

Political Issues. From China's perspective, the lack of a clear strategy towards it in U.S. policy is a favourable element. This is confirmed by the late appointments to positions related to China in the State Department (made this month) and dismissals and structural changes in the National Security Council. Add to this Trump's delaying the deadline [for the](#)

[sale of TikTok](#) (in June, he extended it for a second time to 17 September this year) so that it can continue to operate in the U.S., despite earlier declarations and legislative actions.

The Chinese authorities are also trying to increase the mistrust between the U.S. and its partners and allies, especially in Asia and the Pacific, where the Trump administration has not clearly and decisively addressed the future of U.S. engagement. This applies in particular to possible support for Taiwan in the event of an escalation of Chinese actions. China interprets positively the statements by Deputy Secretary of Defence Elbridge Colby questioning the strategic nature of U.S.-Taiwan relations, as well as the calls on Japan and Australia to declare their contribution to the possible defence of Taiwan. In its contacts with these countries, China emphasises its willingness to cooperate, reinforcing the anti-American attitude of part of the elites and society (this was the case, for example, during the Australian prime minister's visit to China in July). The scale of the differences between the U.S. and its partners was confirmed, among other things, by the absence of the leaders of South Korea, Japan, and Australia from the [NATO-IP4](#) meeting during the Alliance's June summit in The Hague. [The drastic reduction in U.S. development aid](#) (by over 80%), which constituted an important part of support for countries in Africa and Southeast Asia, allows China to strengthen its position in these regions. A Pew Research Center survey in 25 countries shows that from January to April this year, the

median level of sympathy for the U.S. was higher than for China (49% to 37%). However, for the first time since 2020, positive assessments of China increased in 15 out of the 25 countries surveyed. China is not, however, in a position to replace the U.S. aid, dollar for dollar—in 2024, the U.S. allocated \$21.7 billion to development aid, while China allocated less than \$3 billion—but through its programmes, China can strengthen its rhetoric of positive cooperation with the countries of the Global South. The revised policy of the U.S. towards supporting developing countries also means that Chinese proposals concerning, among other things, the provision of modern technologies and security measures are met with a positive response. A report published in July this year by the Democrats on the Senate Foreign Relations Committee points out, for example, how China financed the purchase of food and HIV tests for Zambia after the U.S. withdrew aid. The rhetoric of the benefits of cooperation with China is particularly promoted in formats such as [BRICS](#). This is accompanied by accusations against the U.S. of violations of international law, for example, in relation to [the bombing of Iran](#) in June or support for Israel's policy in the Gaza Strip.

The negative impact of the current U.S. administration's policy on transatlantic relations is particularly beneficial for China. It believes that the current American administration does not treat the EU as an equal partner, which will deepen the differences between them. The trade recent framework trade agreement between the EU and the U.S. (which sets 15% U.S. tariffs on most EU goods and declarations on energy and arms purchases) also confirms in China's view the EU's subservient role in its relations with the United States. China's position on U.S. -EU relations was clearly conveyed by Foreign Minister Wang Yi, among others, during a meeting with EU foreign policy chief Kaja Kallas in July. According to media reports, Wang Yi confirmed at the time that Russia's aggression against Ukraine is beneficial to China, signalling the EU of the slim prospects for a change in [China's policy towards the conflict](#). This was intended to show the EU that, with the declining U.S. involvement in European security, it should consider improving relations with China and perhaps also with Russia.

Economic Policy. [The Trump administration's trade policy](#) remains the biggest challenge for China, especially the new restrictions on exports of technology and modern products from the U.S. to China. This is slowing down the development of Chinese solutions, for example, in artificial intelligence, including in the military sector. Problems faced by exporters (in May this year, deliveries from China to the U.S. fell by over 30% compared to April) are worsening China's economic outlook. However, from the Chinese authorities' point of view, raising tariffs in response to those imposed by the U.S. and introducing other restrictions (e.g., limiting exports of critical raw materials) have had a positive effect, demonstrating that the Trump administration will succumb to pressure from financial markets. This, in China's view, forced the U.S. first to exclude electronic products

from the tariffs and then to engage in trade talks. According to China, the Trump's insistence on having a telephone conversation with Xi (and China agreeing to it) was intended to contribute to the suspension of additional customs duties until August (currently they amount to a total of 55% on most products—30% from Trump's current term and 25% from his first term). The countries are also to tentatively agree this month to extend this period for another three months. In June, China lifted export restrictions on rare earth metals to the U.S. for six months, but only for civilian purposes. The U.S. was also to agree, among other things, to ship certain Nvidia chips (H20) important for the development of artificial intelligence, among others, to China.

Conclusions and Prospects. Based on the trade negotiations and concessions made by the U.S. so far, the Chinese authorities have become convinced that their firm stance towards the Trump administration has been effective. Their confidence is reinforced by, among other things, officially unconfirmed signals that the U.S. cancelled in June the visit of the Taiwanese minister of defence, fearing that this could undermine trade negotiations with China. From China's perspective, the U.S. president's transactional approach is therefore an opportunity not only to liberalise restrictions on exports of goods it needs from the United States but also to pursue political interests, such as reducing support for Taiwan. China would like to see some of its goals confirmed by a possible agreement that could be concluded during a Trump visit to China.

The European Union, as confirmed by [the recent EU-China summit](#), faces the challenge of pursuing an effective policy towards China, which is successfully adapting to U.S. policy. For the EU, dialogue with the U.S. on the threats posed by China's policies remains an important element of political and economic talks. This applies, for example, to data protection, limiting [exports of Chinese overproduction](#) and reducing dependence on imports of raw materials from China. However, it is not so much important for the EU to adapt to cooperation with the U.S. or China (both countries seem to treat the EU equally objectively) as to choose solutions that are beneficial to its own interests. This means, for example, more effective [enforcement of the legal obligations](#) of U.S. and Chinese digital entities operating in the EU. However, the EU is ready for closer transatlantic cooperation and imposing further [sanctions](#) on Chinese companies for supporting Russia. From the perspective of the EU Member States, the most important thing is to accelerate the process of becoming independent from China in sectors that are key for the defence industry, among others, in order to secure its production capacity for equipment and ammunition. Increased defence spending (including in NATO) should include investments in the extraction and, above all, processing of rare earth metals and other critical raw materials in Europe and in [cooperation](#) with other partners.