

Trump forced to bargain with China as US mourns loss of supremacy

For SCMP

May 22nd, 2025

Terry SU

<https://www.scmp.com/opinion/world-opinion/article/3310944/trump-forced-bargain-china-us-mourns-loss-supremacy>



After intense two-day negotiations with China in Geneva recently, the United States agreed to postpone its “reciprocal tariff” on China for 90 days, with both sides [cutting additional tariffs](#) mostly to 10 per cent. In yet another example of US President Donald Trump taking people by surprise, he declared the climbdown a “historic trade win”.

Trump and his supporters claimed a victory by pointing to the pre-April-2 fentanyl-based tariff of [20 per cent](#) on China that remains, by Beijing agreeing to “suspend or remove the non-tariff countermeasures” introduced against the US since April 2 – presumably including the [rare earth export controls](#) that threaten to hamper US military and chip industries – and, in Trump’s words, by China deciding to “open itself up to American business”.

But the world in general has deemed it a serious setback to Trump’s much-trumpeted agenda, so much so that the Wall Street Journal labelled it a “major retreat”, observing “the China deal is more surrender than Trump victory”. The Guardian calls May 12 – the day the joint statement on the Geneva meetings was released – America’s “Capitulation Day”.

However, in achieving a climbdown of this scale without devastatingly denting US credibility and prestige as the world's sitting superpower, Trump deserves some applause. And he could not have done this without Beijing's tacit collaboration. After all, China wants its rise to continue peacefully, believing time is on its side.

Of course, prospects remain fraught. The 90-day truce is merely a moratorium and, given Trump's notorious fluidity, no one can confidently predict what will happen in the meantime and how it will end. Still, the world has breathed a huge sigh of relief, for now. Shipping fees have surged as orders are [hastily placed](#). Capital markets are perhaps the clearest indicator: major stock indices including the Dow Jones Industrial, S&P 500 and Nasdaq Composite have recouped their losses this year.

Former US Treasury secretary Larry Summers said it all when he opined that "it's President Trump who blinked" while "China didn't make any consequential or significant change in its policies". But he went on to say that "sometimes it's good to blink" – meaning the embarrassment was worth it as long as the US, and indeed the world, economy benefited.

But there is also an overarching geopolitical implication to be read in all of this. Largely thanks to Trump's idiosyncrasy, the strategic rivalry between the world's sitting superpower and its emerging peer has entered a clear-cut new phase: the US is having to bargain with China on an equal footing.

The world bent on April 2, Trump's self-declared [Liberation Day](#) – many conciliatory in gesture, some even adulatory in rhetoric – except for an unequivocally defiant China, which quickly announced its [tit-for-tat](#) response. Tariffs escalated on both sides: China matched additional US tariffs to 125 per cent while the US tariffs on Chinese imports rose to [145 per cent](#).

But Trump's hand was increasingly being forced. Against a background of crumbling stock and bond markets, he abruptly announced a [90-day pause](#) on "reciprocal tariffs" for most countries – with the notable exception of China.

Fast forward to today, with a US-China truce pronounced and the confusion giving way post-Geneva to jubilation, and some might even dare to hope again for "[Chimerica](#)" or G2. Clearly, this is not a US-China Group of Two, at least not just yet. But it does point us back to the Kübler-Ross model of grief [I referred to](#) in this column in December 2021.

The five stages of grief, as introduced in the Swiss psychiatrist's 1969 book, *On Death and Dying*, are denial, anger, bargaining, depression and acceptance. In 2021, I disagreed with a view that America, in dealing with the loss of its supremacy, was moving to the third stage of grief. "I am not sure that bargaining is truly on America's mind," I said, judging by the slew of hawkish China policies by the Biden

administration at the time, quite a number of which were inherited from Trump's first term.

Now, however, the writing is on the wall, particularly in Geneva where Washington had to come to terms with bargaining with Beijing as an equal. And it was bargaining true to form, conducted on the basis of the two sides' matching afflictive power, and as a result the Americans did the brunt of the back-peddalling while the Chinese choose not to go the whole hog for their own sake.

Fresh from the Geneva compromise, Trump said he would speak to President Xi Jinping [“maybe at the end of the week”](#). He also said he would be willing to travel to China to speak to Xi about foreign policy and economic issues. Significantly, he has announced a “total reset” of relations with China.

Through it all, Beijing has been mostly tight-lipped, understandably refusing to rise to the bait of Trump's zealous pronouncements and concomitant trolling, such as the claim that [“China would have broken apart”](#) without the Geneva deal. That the Chinese are increasingly adept at handling Trump's America is obvious.

For one thing, Trump said that as part of the deal in Geneva, Beijing had agreed to “fully open China”. The world will take those words with a generous pinch of salt, as usual, while for China, any developments in that direction will clearly be taken only in its own interests, given the industrial and technological prowess it now possesses.

Terry Su is president of Lulu Derivation Data Ltd, a Hong Kong-based online publishing house and think tank specialising in geopolitics