

DIPLOMACY

US-China diplomatic activity around Trump's inauguration

On 17 January 2025, the then President-elect Donald Trump held a phone call with President Xi Jinping.^{1 2} The two leaders reportedly discussed conflicts in Ukraine and the Middle East as well as issues relating to trade, fentanyl and TikTok.^{3 4} Trump confirmed on Truth Social that he had spoken with Xi and said that "the call was very good for both China and the United States".⁵ Meanwhile, the Chinese read-out emphasised the importance of maintaining communication to foster a positive relationship, and that both sides had acknowledged the need for dialogue.^{6 7}

On 18 January, the Wall Street Journal reported that Donald Trump had told his advisers he wanted to visit China within the first 100 days of his presidency, in a move framed as seeking to strengthen personal ties with President Xi Jinping and improve bilateral relations despite tensions surrounding trade and tariffs.^{8 9 10}

Then, on 19 January, the day preceding the inauguration, Chinese Vice President Han Zheng held meetings with the then Vice President-elect J D Vance and U.S. officials and business executives including representatives from the US-China Business Council, the US Chamber of Commerce, and Elon Musk in Washington.^{11 12} President Trump had reportedly invited President Xi to attend his inauguration ceremony, an unorthodox move as no head of state has previously made an official visit to the U.S. for an inauguration.^{13 14}

Vice President Han Zheng was acting as Xi's special representative to attend the ceremony and meet with political and business dignitaries.¹⁵ According to official read-outs, as well as passing on Xi's congratulations, although Han did not mention Trump's threat to increase tariffs on Chinese imports, he "admitted that there are differences and frictions" and emphasised that both sides should strengthen dialogue and consultation.^{16 17 18} In his meeting with Elon Musk, he reportedly highlighted that China welcomed U.S. companies, including Tesla, to seize the opportunity to share China's development results and promote Sino-U.S. economic and trade relations, with Musk reportedly saying that Tesla is willing to deepen investment and cooperation with China.^{19 20}

On 21 January, China's Ministry of Foreign Affairs hosted a regular press conference where it commented on Trump's initial executive orders as President, including his choice not to impose tariffs on China immediately after taking office, framing this as an opportunity for the two nations to promote mutually beneficial cooperation.²¹ The spokesperson, Guo Jiakun, also responded to a question from a Reuters journalist about whether China had invited President Trump to visit; Guo stated that "China is willing to work with the new U.S. government, under the strategic leadership of the two heads of state, to maintain communication, strengthen cooperation, properly manage differences, and promote greater progress in China-U.S. relations from a new starting point, based on the principles of mutual respect, peaceful coexistence, and win-win cooperation". This conciliatory tone has been echoed by various Chinese pundits, who expressed cautious optimism about improved ties with the new U.S. administration.²²

Adarga Analysis: The recent diplomatic interactions between President Donald Trump and the Chinese leadership signal a potential shift in the trajectory of China-U.S. relations, though underlying tensions will almost certainly remain. It is likely that Trump's early engagement with President Xi Jinping, both through a phone call and his reported intention to visit China within his first 100 days, reflects a strategic effort to establish personal rapport with Xi and potentially reset aspects of the bilateral relationship. However, we ought to be cautious about oversteering a "reset" and instead view this outreach in the context of the broader structural issues that have defined the bilateral relationship over the past decade: trade disputes, technology competition, and geopolitical rivalry.

In a sense, Trump's decision to invite Xi to his inauguration, while unconventional, aligns with his broader approach to diplomacy, which often emphasises personal relationships over institutional norms. While Xi did not attend the ceremony, Vice President Han Zheng's presence as his special representative underscores, at least symbolically, Beijing's intent to publicly maintain open lines of communication with the new administration. Moreover, Han's meetings with key political and business figures, including J.D. Vance and Elon Musk, likely further reflect China's prioritisation of economic engagement and mitigating trade frictions. Musk's meeting with Han Zheng is particularly noteworthy; as well as recognising the billionaire's recent elevation and personal ties to Trump, it also illustrates China's interest in leveraging relationships with influential business leaders to maintain and expand economic ties with the United States, thereby aligning with Beijing's likely broader strategy of utilising economic interdependence as a diplomatic tool.

Trump's decision not to impose immediate tariffs on China as part of his initial set of executive orders contradicted expectations based on his campaign rhetoric and received notable coverage across the Chinese media ecosystem. The move has been met with cautious optimism in Beijing, with the Ministry of Foreign Affairs framing it as an opportunity for mutually beneficial cooperation, while academic commentators including Jin Canrong, Lu Xiang, and Da Wei were all quoted with tentatively positive outlooks for the bilateral relationship across major outlets.²³ ²⁴ However, it remains to be seen whether this signals a long-term policy shift or simply a strategic pause before a more aggressive stance on trade is taken. The prospect of increased tariffs and restrictions on Chinese technology firms continues to loom, and Trump's economic advisors are reportedly divided on the best approach to handling Beijing's economic policies.

Adding further complexity to the situation is the 25 January announcement of advancements made by DeepSeek, a Chinese AI company (and the subject of a future Briefly issue) that develops open-source large language models (LLM), which is widely being framed as a direct challenge to U.S. dominance in the field. These subsequent developments, and their knock-on impact on tech stocks, may prompt Trump to reconsider his approach; given his previous rhetoric on safeguarding American technological leadership, it is likely that his administration could shift towards a more protectionist stance, reinforcing trade barriers and impose restrictions on Chinese tech firms. How he may balance this with his personal outreach to Xi remains a crucial question in the evolving China-U.S. dynamic.

China's response so far has been measured, emphasising the importance of dialogue, stability, and cooperation. The messaging from Chinese officials and state-affiliated pundits suggests a willingness to explore areas of common interest, but also a degree of caution with an acknowledgement of persistent frictions. Consequently, the emphasis on Tesla and other U.S. companies investing in China should be expected, as it highlights Beijing's interest in maintaining economic interdependence as a stabilising factor in the relationship.

From a strategic perspective, there is a realistic possibility that Beijing may view Trump's transactional style as an opportunity to negotiate more favourable economic terms while avoiding a rapid escalation in tensions. At the same time, China is likely preparing for potential policy shifts, particularly on trade and security matters, as Trump's administration solidifies its stance in the coming months.

Therefore, overall, while the early diplomatic engagements between Trump and Xi suggest a tentative opening for improved relations, the fundamental issues that have driven China-U.S. competition remain largely unchanged. The coming months will be crucial in determining whether this initial outreach translates into substantive policy adjustments or whether entrenched geopolitical rivalries will once again take precedence.

ABOUT

Briefly - China in the Changing World Order

Adarga is a leader in AI-driven information intelligence for defence, national security, and commercial organisations.

'Briefly' is brought to you by Adarga's geopolitical and geo-economic experts, leveraging our highly curated data sets and Vantage software, which is designed to increase the quality, speed, and breadth of insight through the application of cutting-edge AI tools.

Time taken to generate research for this report with Adarga Vantage:

<10 seconds

Articles & papers scanned:

10.7 million

Including articles from:

China, Finland, Hong Kong, Russia, Singapore, Taiwan, Ukraine, UK, US

References

- <https://www.kyivpost.com/uk/post/45669>
- <https://reputum.ru/news/3942185>
- <https://www.rsis.edu.sg/rsis-publication/rsis/whither-us-china-relations-under-trump-2-0>
- <https://www.cheart.com/article/390893>
- <https://www.kyivpost.com/uk/post/45669>
- Briefing, China concerned over US leaving Paris accord, more optimistic on ties - BBC Monitoring - Adarga Vantage
- <https://www.chvart.com/article/390893>
- <https://www.wsj.com/us-news/china-xi-jinping-visit-e9141794>
- Briefing, China concerned over US leaving Paris accord, more optimistic on ties - BBC Monitoring - Adarga Vantage
- <https://www.kyivpost.com/uk/post/45669>
- <https://news.ifeng.com/lw/news/world/detail/1688507>
- <https://www.foxnews.com/2025/01/20/trump-xi-282e553c50259d9650e070c3079d8ce>
- <https://apnews.com/article/han-zheng-vance-musk-trump-xi-282e553c50259d9650e070c3079d8ce>
- <https://history.state.gov/departments/history/visits>
- <https://www.hs-niederrhein.de/art-200001974906.html>
- <https://news.ifeng.com/lw/news/world/detail/1688507>
- <https://news.ifeng.com/lw/news/world/detail/1688507>
- <https://www.21jingji.com/article/20250120/herald/112f268d7f268213b861011ddd4684a.html>
- <https://news.ifeng.com/lw/news/world/detail/1688507>
- <https://news.ifeng.com/lw/news/world/detail/1688507>
- Briefing, China concerned over US leaving Paris accord, more optimistic on ties - BBC Monitoring - Adarga Vantage
- Briefing, China concerned over US leaving Paris accord, more optimistic on ties - BBC Monitoring - Adarga Vantage
- Briefing, China concerned over US leaving Paris accord, more optimistic on ties - BBC Monitoring - Adarga Vantage
- <https://www.scmp.com/news/china/diplomacy/article/3295632/poing-soft-china-first-day-trump-leaves-room-deal-making-tshinghuas-da-wai>

To provide feedback on *Briefly - China in the changing world order*, or suggest themes that you would like to see covered, please email hello@adarga.ai

